European Bank
for Reconstruction and Development

ISSB Report 2025

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Foreword

Following the publication of its inaugural *International Sustainability Standards Board (ISSB) Report* in September 2025 with an associated limited assurance opinion relating to selected metrics and narratives, the European Bank for Reconstruction and Development (EBRD) is pleased to present its second *ISSB Report*. Like last year's report, this report has been prepared in full alignment with International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2 issued by the ISSB, and it is again the subject of independent limited assurance relating to selected metrics and narratives. With the phasing out of transitional "reliefs" or exemptions for first-time adopters, this year represents a significant milestone: while last year's report focused solely on climate-related disclosures, this year's report presents information on all material sustainability-related risks and opportunities, with information on financed emissions included within the scope of the independent limited assurance. This widening of the scope reflects the Bank's continued commitment to maintaining rigorous, transparent and decision-useful sustainability disclosures that are aligned with global practice.

Sustainability challenges continued to intensify across the Bank's regions of operation in 2025, shaped by the intersecting pressures of climate change, biodiversity loss, resource scarcity, persistent geopolitical tensions and macroeconomic uncertainty. Severe heatwaves, flooding and water-related stressors further underscored the immediate physical risks facing clients and communities. Shifting policy environments, evolving market expectations and disruptions to key supply chains reinforced the importance of an orderly transition to low-carbon, climate-resilient and environmentally sustainable economic systems. Against this backdrop, sustainability considerations have become increasingly integral to financial stability, economic development and long-term resilience.

The EBRD continues to play a critical role in supporting its regions as they navigate these challenges. In 2025, the Bank further embedded sustainability considerations in its strategy, investment decision-making and risk management processes. The Bank completed its first comprehensive sustainability-related materiality assessment, building on earlier work focused solely on climate matters, and identified a wider set of sustainability-related risks and opportunities with potential financial impacts. It continued to ensure that all new investments were aligned with the goals of the Paris Agreement and again achieved its target of having green finance account for at least 50 per cent of Annual Bank Investment (ABI). The Green Economy Transition (GET) Strategy 2026-30, approved by the Board in February 2026, sets an even more ambitious course as regards the Bank's support for the green transition over the next five years.

The Bank also further consolidated the analytical foundations of its sustainability assessment. It continued to assess transition, physical and broader sustainability-related risks, and used the updated Network for Greening the Financial System (NGFS) long- and short-term scenarios in its climate stress testing. The Bank advanced its measurement of financed emissions, improving coverage in line with international methodologies. At the same time, it continued to respond rapidly to climate- and nature-related events across its regions, mobilising emergency support and technical assistance for affected communities and underscoring its role as a reliable partner during periods of acute disruption.

The Bank's work to promote sustainability is also reflected in its policy engagement and investment activities. In 2025, the EBRD supported country-level transition platforms, helped clients to strengthen governance and risk management practices through its Corporate Climate Governance Facility, and scaled up investments in areas such as renewable energy, sustainable transport, agrifood resilience, water security and low-carbon industrial development. Programmes such as Green Cities and the Green Economy Financing Facilities continued to support municipalities, households and businesses in accelerating their transition. Through its capital markets work, the Bank continued to develop green and sustainability-linked financial instruments that mobilise private investment at scale.

This report demonstrates the Bank's commitment to advancing sustainability goals while ensuring its own financial resilience. The EBRD's transition mandate drives the Bank to accept climate- and sustainability-related risks on its balance sheet as it works with its clients to improve the identification, management and mitigation of such risks in its regions. In so doing, the Bank carefully manages these risks within the qualitative and quantitative boundaries of its overall risk appetite framework. Equally, in line with its strategic direction and operational strategy documents, the Bank capitalises on sustainability-related opportunities to expand its business and impact across its regions of operation.

As sustainability practices and regulatory expectations continue to evolve, the EBRD remains focused on continuous improvement, strengthening its methodologies, enhancing its data capabilities and deepening the integration of sustainability considerations across its operations. Through its investments, advisory services, policy engagement and transparent reporting, the Bank will continue to support its countries of operation in their transition to sustainable, inclusive and climate-resilient economies.

Burkhard Kübel-Sorger
Vice President, Chief Financial Officer
European Bank for Reconstruction and Development
London, 27 May 2026

Acronyms and abbreviations

CDSB	Climate Disclosure Standards Board
CO_2e	carbon dioxide equivalent
CRB	climate resilience bond
CRO	Chief Risk Officer
CSD	Climate Strategy and Delivery team
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ESB	environmental sustainability bond
ESD	Environment and Sustainability Department
ESG	environmental, social and governance
ESP	Environmental and Social Policy
EU	European Union
GET	Green Economy Transition
GHG	greenhouse gas
GRI	Global Reporting Initiative
GSS	green, sustainability and sustainability-linked (bonds)
GSSS	green, social, sustainability and sustainability-linked (bonds)
GTB	green transition bond
ICMA	International Capital Market Association
IFI	international financial institution
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
KPI	key performance indicator
MDB	multilateral development bank
NACE	statistical classification of economic activities in the European Union
NBFI	non-bank financial institution
NGFS	Network for Greening the Financial System
NPL	non-performing loan
PBC	performance-based compensation
PCAF	Partnership for Carbon Accounting Financials
PFI	partner financial institution
SASB	Sustainability Accounting Standards Board
SBTi	Science-Based Targets initiative
SCF	Strategic and Capital Framework
SEMED	southern and eastern Mediterranean
SRI	socially responsible investment
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	tonnes of carbon dioxide equivalent

Executive summary

The EBRD remains committed to reporting in line with the IFRS Sustainability Disclosure Standards issued by the ISSB. This year's report represents a significant step forward relative to the Bank's inaugural *ISSB Report* last year, which focused exclusively on climate-related risks and opportunities. With transitional reporting "reliefs" or exemptions no longer available, the Bank has widened the scope of its disclosure to cover all material sustainability-related risks and opportunities, fully consistent with the requirements of IFRS Sustainability Disclosure Standards S1 and S2.

As this report shows, sustainability considerations have now been further embedded in the Bank's strategy, governance and risk management processes and performance metrics. This reflects the further development of the Bank's systems, processes and data architecture, which now address a broader set of sustainability factors, while maintaining a strong focus on climate matters as a core strategic priority.

In line with the IFRS Sustainability Disclosure Standards' four reporting pillars – governance, strategy, risk management, and metrics and targets – the *ISSB Report 2025* highlights a number of key developments:

- A sustainability-related materiality assessment has been completed, extending the scope of the assessment beyond climate considerations to include environmental, social and broader sustainability-related risks and opportunities with potential financial impacts on the Bank. This assessment will guide future disclosures.
- All EBRD activities remain consistent with the joint multilateral development bank (MDB) approach to alignment with the Paris Agreement,[1] and the Bank continues to reinforce this alignment through internal policies, investment processes and governance structures.
- Green and sustainability-linked finance continues to account for more than 50 per cent of ABI, demonstrating the Bank's commitment to supporting low-carbon, climate-resilient and environmentally sustainable transitions across its regions.
- The Bank has further strengthened its methodologies for assessing transition risks, physical risks and broader sustainability-related risks.
- The Bank has advanced its climate scenario analysis by integrating the new NGFS short-term transition scenario and stress-testing sector-level growth pathways for high-emitting industries, improving the granularity of transition-risk assessment.[2]
- The Bank has made progress on integrating climate-related risks into the annual Bank-wide stress test by developing a drought- and wildfire-related climate-loss overlay for counterparties in the southern and eastern Mediterranean (SEMED) region and Türkiye – an initial step towards embedding climate risk in the wider stress-testing framework.
- Measurement of financed emissions continues to expand, improving portfolio coverage and enhancing the granularity and reliability of emissions data. The Bank continues to monitor and reduce its operational emissions.

The Bank has strengthened its approach to sustainability by updating its Environmental and Social Policy (ESP) with effect from 1 January 2025, introducing a more robust, risk-based assessment framework and enhancing scrutiny of higher-risk projects.[3] The progress outlined in this report puts the EBRD in a strong position to continue deepening its assessment and management of sustainability-related financial risks and opportunities. The Bank is advancing its work on nature and biodiversity opportunities, supply chain-related sustainability risks and sustainability-linked reputational risks, while enhancing the transparency and decision-usefulness of its disclosures.

1 See ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2018).
2 See NGFS (2025).
3 See EBRD (2024a).

As sustainability practices and regulatory expectations continue to evolve, the EBRD remains committed to complying with leading international standards, supporting credible transition pathways for its clients, and maintaining its own financial resilience. This report underscores the Bank's longstanding commitment to fostering sustainable, inclusive and climate-resilient development across its regions, while strengthening its internal capacity to respond to the growing complexity of sustainability-related risks and opportunities.

Basis of preparation

This report has been prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the ISSB.[4]

The EBRD has prepared the report on a voluntary basis to provide more decision-enabling information to stakeholders. It thereby makes use of the proportionality mechanisms available to appliers of the standards.[5] One of the key proportionality mechanisms is the option to disclose qualitative (rather than quantitative) information in certain circumstances (see table below). Accordingly, this report includes both quantitative and qualitative disclosures on the financial effects of the Bank's material sustainability- and climate-related risks and opportunities.

The following standards, guidance and material have been applied in this report:

Standard/guidance/material	Content	Application
IFRS S1	General standard for sustainability-related risks and opportunities, materiality definition, structure and proportionality mechanism	Sustainability standard
IFRS S2	Climate-related disclosure standard, comparable to IFRS S1	Climate-related standard
Educational material for appliers	Guidance for appliers of the IFRS Sustainability Disclosure Standards, providing proportionality mechanisms (for example, for qualitative disclosures or in respect of stress-testing scenarios)	See following table
IFRS guidance on materiality	Defines the process used to identify sustainability-related risks and opportunities and determine materiality based on quantitative and qualitative factors	Qualitative factors for the EBRD's materiality assessment

The proportionality mechanism for appliers has been used as follows:

	Information use limited to what is reasonable, supportable and available without undue cost or effort	Qualitative approaches allowed if a company lacks skills, capabilities or resources	Section
Determination of anticipated financial effects	Yes	Yes	1, 3, 4
Climate-related scenario analysis	Yes	Yes	4
Identification of risks and opportunities	Yes	-	1, 3, 4
Determination of the scope of the value chain	Yes	-	1
Calculation of metrics in some industry-based categories	Yes	-	5

This report covers the EBRD and its wholly controlled subsidiary, the EBRD Shareholder Special Fund, consistent with the Bank's financial statements. To calculate greenhouse gas (GHG) emissions, the EBRD uses the approach established by the Greenhouse Gas Protocol,[6] as required by IFRS S2, where applicable. The EBRD includes all Scope 1 and Scope 2 (market- and location-based) emissions from operations and assets over which it has operational control. Any other emissions generated in the EBRD's value chain are reported as Scope 3 emissions. The EBRD has operational control over the EBRD Shareholder Special Fund, and its emissions are classified as Scope 1 and Scope 2.

This report should be read in conjunction with the Bank's annual financial statements, which are prepared in accordance with IFRS accounting standards. It covers the reporting year ending on 31 December 2025, in line with the reporting year for the Bank's *Financial Report 2025*.[7] No events have occurred after the reporting period that would materially affect the information presented in this report.

4 See IFRS Foundation (n.d.).
5 The EBRD is a voluntary applier of the IFRS Sustainability Disclosure Standards.
6 See Greenhouse Gas Protocol (n.d.).
7 See EBRD (2026a).

The information derived from the Bank's statement of financial position is presented in euros at the closing exchange rate on 31 December 2025, in line with the *Financial Report*. All other information is translated into euros at the average annual exchange rate.

Metrics

This report publishes a number of metrics, detailed definitions of which can be found in Section 6.

Deloitte LLP has provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (Revised) (ISAE 3000 Revised) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), both issued by the International Auditing and Assurance Standards Board, for this IFRS Sustainability Disclosure Standards report, including selected metrics denoted with an asterisk (*) in Section 5.

Parts marked with an (E) are excluded from the scope of the assurance, including the capital market finance and participation metrics in Section 5.4 and the information on climate-related targets and performance in Section 5.5.

Deloitte LLP's full unqualified limited assurance opinion, which includes details of the selected metrics assured, can be found at the end of the report.

Significant estimates and critical judgements

Preparing the *ISSB Report* in line with IFRS Sustainability Disclosure Standards requires the Bank to make judgements and estimates that affect its materiality assessment, including as regards the magnitude and likelihood of financial effects, GHG emission calculations, emission reductions and climate scenario analysis. Estimates relating to the reporting period are based on historical experience and other factors, as well as projections that are believed to be reasonable under the circumstances.

These estimates rely heavily on a number of variables that reflect the economic environment and financial markets of the economies in which the Bank invests. Details of significant estimated and critical judgements in the preparation of this report, as well as amounts that are subject to a high degree of measurement uncertainty, are included in the relevant sections of this report, as noted in the following overview:

Significant estimates and critical judgements	Section
Materiality assessment – magnitude and likelihood	1
Anticipated financial effects	1, 3, 4
Climate scenario analysis	4
GHG emission calculations	5
GHG emission reductions	5
GHG-related metrics	5

1. Materiality

This report provides details on the Bank's assessment of material information about its climate- and sustainability-related risks and opportunities that could reasonably be expected to have an impact on the Bank's prospects. It also provides information to EBRD investors that the Bank considers material in an IFRS Sustainability Disclosure Standards context. These disclosures are grouped into four main pillars for the purposes of this report: (i) governance, (ii) strategy, (iii) risk management, and (iv) metrics and targets. The climate- and sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's prospects are hereinafter referred to as "material risks and opportunities".

1.1. Key terms

Table 1. Key terms

Key term	Explanation
Climate-related risks	Climate-related risks refer to the potential negative effects that climate change – and societal responses to climate change – could have on an entity.
Climate-related opportunities	Climate-related opportunities refer to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can also produce climate-related opportunities for an entity.
Transition risks	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market (including changes in customer behaviour) and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations.
Physical climate risks	Physical climate risks arise as a direct consequence of climate change and can be event driven (acute physical risks) or due to longer-term shifts in climatic patterns (chronic physical risks). Acute physical risks arise from weather-related events such as storms, flooding, droughts or heatwaves. Chronic physical risks arise from longer-term shifts in climatic patterns, including changes in precipitation and temperature.
Sustainability-related risks and opportunities	The IFRS Sustainability Disclosure Standards adopt a principle-based approach and do not define a closed list of sustainability matters. Entities are therefore encouraged to draw on other sustainability reporting frameworks to inform the identification of potentially relevant sustainability-related risks and opportunities. For example, a comprehensive list of "sustainability matters" can be gleaned from the EBRD's *Global Reporting Initiative (GRI) Report: Sustainability Disclosures* and related GRI standards.[8]

1.2. Definition of materiality

The definition of materiality and the methodology for assessing material information about identified sustainability-related risks and opportunities are fundamental building blocks of comprehensive sustainability reporting in accordance with the IFRS Sustainability Disclosure Standards. Though similarly based on financial impacts, the Bank does not consider materiality for sustainability reporting purposes to be identical to materiality for financial reporting purposes.

In the context of sustainability-related financial disclosures, information is considered material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make on the basis of those reports (with such information including financial statements and sustainability-related financial disclosures, and reports that provide information about the Bank – for instance, pages 56 and 57 of the EBRD's *Financial Report 2025*[9]). Disclosures are also considered material if they are identified as being useful to decision-making based on qualitative factors. As a result, the EBRD considers both quantitative and qualitative factors when assessing material information in accordance with the requirements of IFRS S1. Consequently, for example, while the Bank considers climate-related credit risks to be immaterial when set against the financial materiality threshold applicable to the *Financial Report 2025*, they are deemed material in the context of the *ISSB Report*, which assesses materiality from a sustainability-related financial reporting perspective that incorporates short-, medium- and long-term time horizons.

8 See EBRD (2026d).

9 See EBRD (2026a).

The Bank believes that, as a result of its status as a recognised green finance leader and because of the broader emphasis in society on sustainability-related matters, there is a different materiality threshold when disclosing sustainability-related risks and opportunities, and that its materiality assessment for the purpose of sustainability-related financial disclosures should encompass not only quantitative financial impacts, but also qualitative factors.[10]

1.3 Materiality assessment for 2025

The Bank's 2025 materiality assessment for sustainability-related financial reporting was conducted following an expansion in scope from climate-related information to general sustainability information. It takes into account the short-, medium- and long-term time horizons over which effects could materialise, and reflects the removal of transitional "reliefs" or exemptions after the Bank's first year of reporting under the IFRS Sustainability Disclosure Standards.

The EBRD's primary business model is the provision of financial products (mainly loans, equity investments and guarantees) to predominantly private-sector clients with the goal of achieving transition impact[11] through project completion and associated advisory and policy engagement. The EBRD's value chain, therefore, comprises: (i) its sources of funding, through which it gathers the finance it deploys; (ii) its own operations, deploying finance to projects that meet its objectives; and (iii) its clients, who are the recipients of the finance. The sources of funding for the EBRD are its shareholders (through the provision of capital contributions), its investors (which purchase EBRD-issued debt instruments) and its donors (which contribute donor funds to support EBRD clients and EBRD-funded projects). EBRD clients are predominantly private-sector firms located in economies in which the Bank invests and, to a lesser extent, the sovereigns of those economies. In 2025, as in 2024, each component of the EBRD's value chain was considered in the Bank's materiality assessment. The Bank reassesses materiality throughout the year in response to significant events or changes in its value chain, in line with IFRS S1, paragraph B11.

The Bank's process for identifying sustainability-related risks and opportunities commenced with an analysis of relevant sustainability standards and frameworks, which now extend beyond climate-related risks and opportunities. The list of information assessed was based on:

- IFRS Sustainability Disclosure Standards S1 and S2[12]
- the financially material information that had been identified in the EBRD's 2024 disclosure and information which had been assessed as being close to material during that assessment
- Sustainability Accounting Standards Board (SASB) industry-specific metrics and targets for investment banks and commercial banks[13]
- the consolidated set of 2024 GRI standards, limited to the EBRD's material GRI topics and disclosed non-material topics[14]
- information disclosed in the sustainability reporting of peer institutions.

The sources were mapped to potential climate- or sustainability-related risks and opportunities in the Bank's value chain and business model, producing an initial longlist of potentially material information.

The Bank then considered the potential financial impacts associated with each piece of information and its mapped risks and opportunities, taking into account both the potential magnitude of the impact and the likelihood of financial effects. The Bank's assessment focused on effects which were deemed to have the potential to materially alter (i) its cash flows, (ii) access to finance and/or (iii) the cost of capital. A quantitative approach was applied wherever sufficient data and analytical capability were available.

10 See IFRS Foundation (2024).

11 The EBRD's transition concept relates to the development of the economies in which it invests across a number of qualities. This is explained in detail at https://www.ebrd.com/home/who-we-are/ebrd-values/ebrd-transition.html.

12 See IFRS Foundation (2023).

13 See SASB (n.d.).

14 See IFRS Foundation (2022).

In cases where a reliable quantitative magnitude or likelihood score could not be determined without undue costs or effort, the Bank adopted a qualitative approach, in line with IFRS guidance. Some information disclosed in this report has been identified as material even though quantification of the potential effects was not possible.

To standardise the assessment, each potentially material risk or opportunity was assigned a magnitude score and a likelihood score on predefined scales, consistent with 2024 but extended to cover general sustainability information. Magnitude scores ranged from "very low" to "very high" based on percentage impacts on net assets and corresponding euro value ranges. Likelihood scores were aligned with the Bank's risk management framework, ranging from "rare" to "almost certain". The magnitude and likelihood scores for each risk and opportunity were multiplied to produce a weighted score, which formed the basis for further assessment. As in previous years, the Bank maximised the use of internal expertise in relevant teams. The final stage of the assessment required the determination of an appropriate threshold separating material from non-material information. The determination of this threshold was a critical judgement that gave due consideration to the detailed quantitative and qualitative assessments made in the earlier stages of the assessment. Information meeting this criterion was proposed for final determination of materiality.

Table 2 summarises the sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's prospects, as identified through the Bank's 2025 materiality assessment over various time horizons. These risks and opportunities that could reasonably be expected to affect the EBRD's prospects are referred to throughout the report as "material risks and opportunities". The time horizons are defined as short term (less than one year), medium term (one to seven years) and long term (more than seven years). In accordance with the requirements of IFRS S2, climate-related risks have been divided into climate-related physical risks and climate-related transition risks.

Besides the risks identified in Table 2, Table 6 (in Section 4) indicates additional risks that the EBRD identified in 2025, in line with the Bank's Risk Appetite Statement.[15] While assessment processes for sustainability-related information are still evolving, the Bank considered biodiversity-related risks and opportunities in its 2025 materiality assessment. Similarly, processes for the assessment of environmental, social and governance (ESG) factors in credit risk, market risk and reputational risk, while also still evolving, were also considered. That information was not considered in the assessment of financially material risks in 2025, but it was considered in the assessment of financially material opportunities. The information assessed as material for each risk and opportunity is described in the relevant section of this report, with Section 3 including material information about sustainability-related opportunities and Section 4 including material information about sustainability-related risks.

Table 2. Material risks and opportunities in 2025

Climate- and sustainability-related risks	Climate- and sustainability-related opportunities
Credit risk (S,M,L)	Demand for sustainability-related financial products (S,M,L)
Market risk (S,M)	Sustainability investment and donor funding (S,M,L)
Reputational risk (S,M)	

Note: S = short term, M = medium term, L = long term.

The Bank's assessment of the financial impacts of the material risks and opportunities is split into (i) those where the Bank has the means to produce quantitative analysis of the potential impact and (ii) those where quantitative analysis is not possible without undue cost and effort, so only qualitative assessments are available. The Bank is currently able to produce quantitative analysis of the scale of its financial exposure to climate-related credit risk (physical and transition risk). This is described in detail in Section 4.

Qualitative information on the anticipated financial effects of other sustainability-related risks and opportunities identified as material is summarised in Table 3. More detailed qualitative assessments of the material sustainability-related risks and opportunities, including the assessed materialisation over the short, medium and long term, are included in Section 3 (in the case of opportunities) and Section 4 (in the case of risks) of this report. Disclosure requirements were determined based on qualitative factors, with reference to IFRS guidance on materiality. Throughout

15 See EBRD (2025f).

this report, the term "sustainability-related risks and opportunities" is intended to include the climate-related risks and opportunities identified in the 2025 financial materiality assessment (see Table 2), unless otherwise specified.

Table 3. Overview of anticipated financial effects of sustainability-related risks and opportunities identified as material

Material sustainability-related risks and opportunities	Summary of information about anticipated financial effects on the Bank's prospects[16]
Physical climate risk	The Bank is chiefly exposed to potential financial losses from physical climate risks through an increase in expected credit losses (credit risk) on its portfolio of loans held at amortised cost and through negative fair valuation adjustments (market risk) to its portfolio of loans and equities held at fair value through profit or loss. This is discussed in greater detail in Section 4.1.
Transition risk	Similarly to physical climate risks, the Bank is chiefly exposed to potential financial losses from transition risks through an increase in expected credit losses (credit risk) on its portfolio of loans held at amortised cost and through negative fair valuation adjustments (market risk) on its portfolio of loans and equities held at fair value through profit or loss. This is discussed in greater detail in Section 4.1.
Reputational risk	In addition to general transition risk (which is mainly climate focused), damage to the Bank's reputation (reputational risk) as a result of sustainability-related matters, detailed further in Section 4.6, is an overarching risk that could impact any of the Bank's relationships with clients, stakeholders and other third parties, such as donors or bondholders. Consequently, the range of possible financial impacts is broad and discussed in detail in Section 4.1.
Demand for financial products and services (opportunity)	As a Bank with a strong recognised sustainability focus, an increasing societal emphasis on reducing and mitigating the impacts of climate change could lead to an increase in demand for the Bank's sustainability-related financial products, potentially increasing revenue. This is discussed in greater detail in Section 3.4.
Sustainability funding and investments (opportunity)	As a Bank with a strong recognised sustainability focus, an increasing societal emphasis on reducing and mitigating the impacts of climate change could result in investors and donors being more interested in providing the Bank with funding (especially through the Bank's themed bond issuance) and grants. This is discussed in greater detail in Section 3.4.

16 The EBRD discloses mainly qualitative information about (projected) financial effects based on IFRS guidance for voluntary appliers (see IFRS Foundation, 2024).

2. Governance

At the end of 2025, the EBRD was owned by 77 countries, the European Union (EU) and the European Investment Bank (EIB). The Board of Governors, which represents the Bank's members, delegates the exercise of much of its powers to the Board of Directors, while retaining overall authority. The EBRD's governance structure is summarised in the Bank's organisational chart.[17]

2.1. Board of Directors

The Board of Directors comprises 23 directors and is chaired by the President of the Bank. It approves the EBRD's high-level policies, as well as its country, sectoral and thematic strategies, and has ultimate responsibility for the oversight of climate- and sustainability-related matters. Documentation for projects submitted to the Board of Directors for approval includes relevant information on financial risks associated with climate issues and sustainability.

The Board of Directors has established three committees, each of which meets monthly, to assist with its work:

- The Audit and Risk Committee oversees all risk-related issues and reporting, including financial risk associated with sustainability matters and the Bank's ISSB disclosures. The Audit and Risk Committee receives quarterly reports on the evolving risk profile of the Bank and conducts annual reviews of the risk management function. Quarterly reports cover the Bank's performance against its institutional objectives, including its exposure to and management of climate-related financial risks.
- The Financial and Operations Policies Committee is responsible for reviewing and exercising oversight of the EBRD's financial and operating policies, including those relating to climate and sustainability issues.
- The Budget and Administrative Affairs Committee assists the Board of Directors in fulfilling its responsibilities in relation to the approval and oversight of the Bank's budgetary, staff and administrative resources, including those required for the management of sustainability-related risks and opportunities.

2.2. Management

The President is elected by the Board of Governors and is the legal representative and chief of staff of the Bank. Under the guidance of the Board of Directors, the President oversees the day-to-day business of the EBRD. The Bank's strategies and policies guide management's prioritisation and delivery of business activities.

Several committees advise the President or members of the Bank's Executive Committee directly on the management of sustainability-related risks and opportunities, among other matters. These committees take into account climate- and sustainability-related risks and opportunities when overseeing the EBRD's strategy, investment decisions, risk management processes and related policies. Table 4 lists the committees and sets out the frequency with which these committees are informed about climate- and sustainability-related risks and opportunities.

Table 4. EBRD management and steering committees relevant to sustainability-related risks and opportunities

Management committee	Chair	Purpose	Meeting frequency
Executive Committee	President	Advises the President on all aspects of Bank-wide strategic significance, including issues related to sustainability risks and financially sound sustainability-related business opportunities and the setting of targets for climate-related risks and opportunities; monitors progress towards those targets.	Fortnightly
Asset and Liability Committee	Vice President, Chief Financial Officer	Considers matters related to the oversight and management of the Bank's balance sheet position and associated risks, within the limits of the approved risk appetite. It focuses on the management of the Bank's capital adequacy, liquidity resilience and other structural balance sheet risks.	Quarterly

17 See EBRD (n.d.b).

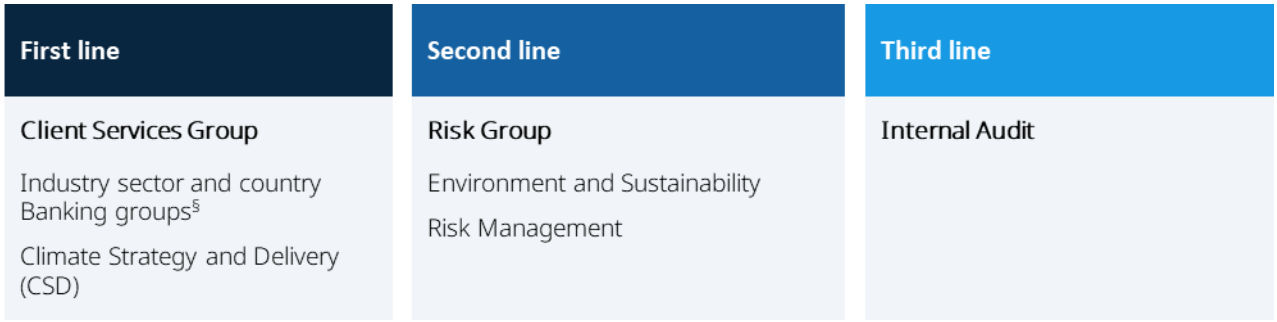
Management committee	Chair	Purpose	Meeting frequency
Operations Committee	First Vice President and Head of Client Services Group	Considers matters related to the Bank's projects, including sustainability risks and opportunities, on an individual project basis.	Weekly
Strategy and Policy Committee	Vice President, Policy and Partnerships	Considers matters that fall within the overall responsibility of the Vice President, Policy and Partnerships and certain matters within the responsibility of the Chief Economist, focusing primarily on (i) strategy and policy work, (ii) country, industry, sector and thematic strategies, and (iii) policy-related research, including sustainability-related matters.	Fortnightly
Risk Committee	Vice President, Chief Risk Officer	Responsible for matters related to Bank-wide risks, including credit and operational risk, with associated follow-up actions; oversees risk aspects of the EBRD's portfolios, approves risk policies and risk reports, and considers new products; reviews the Bank's climate risk principles, approves the *ISSB Report*, and considers other pertinent climate risk issues throughout the year.	Fortnightly
Sustainability Reporting Steering Committee	Managing Director, Finance	The Sustainability Reporting Steering Committee is the principal forum where matters related to the Bank's assured reporting under external sustainability reporting standards are considered and decided upon. It guides the Bank's implementation of and compliance with those sustainability reporting standards and makes recommendations to the Risk Committee regarding the final form and content of the *ISSB Report*.	Monthly

2.3. Managing sustainability-related risks and opportunities

The Bank's organisational arrangements are designed to facilitate the coordinated management of sustainability-related risks and opportunities, with a focus on climate risk and green finance attribution. This approach ensures that controls and procedures are in place to support the oversight of climate- and sustainability-related risks and opportunities, and are well integrated into internal functions. Opportunities are identified primarily through client-facing teams that structure investment, offer advice and provide policy support in line with the EBRD's mandate, guided by its strategies and operating policies.

In its day-to-day operations, the EBRD manages its risks, including climate- and sustainability-related risks, using a "three-lines-of-defence" model (see Figure 1). Each line of defence is independent, to provide greater objectivity of assessment, review and oversight of investment decisions and risk management.

Figure 1. The "three-lines-of-defence" model



§ The EBRD's Banking sector groups include Financial Institutions, the Sustainable Infrastructure Group and Corporate Sector.

The EBRD's governance bodies also enable the Bank to balance sustainability-related risks with growing demand for the Bank's sustainability-related financial products and services by weighing risk exposure against strategic growth opportunities. This involves, for example, managing the credit and market risks associated with clients in high-carbon sectors while expanding financing for low-carbon and sustainable investments. By integrating sustainability risk assessment into lending decisions, Bank management can enhance portfolio resilience while capturing new market opportunities in green finance.

The Bank's governance bodies consider any potential trade-offs between sustainability-related risks and growing demand for the EBRD's sustainability-related products. At a strategic level, the Executive Committee assesses trade-offs in the development of sector and country strategies. At a project level, the Operations Committee aims to balance risk appetite with growth opportunities. As an example, the Bank recognises trade-offs between supporting the transition of

high-emitting clients and managing portfolio risk. Dependencies include regulatory developments, client transition plans and the availability of donor funding.

First line of defence

Within the first line of defence, the Climate Strategy and Delivery (CSD) team provides operational and centralised support for all frontline activities involving the delivery of the Bank's Green Economy Transition Strategy 2026-30. CSD works across the EBRD's Banking sector groups to support project origination, provide technical assistance, build capacity, and provide market and regulatory advice. CSD also fosters policy dialogue on sustainability-related business activities.[18]

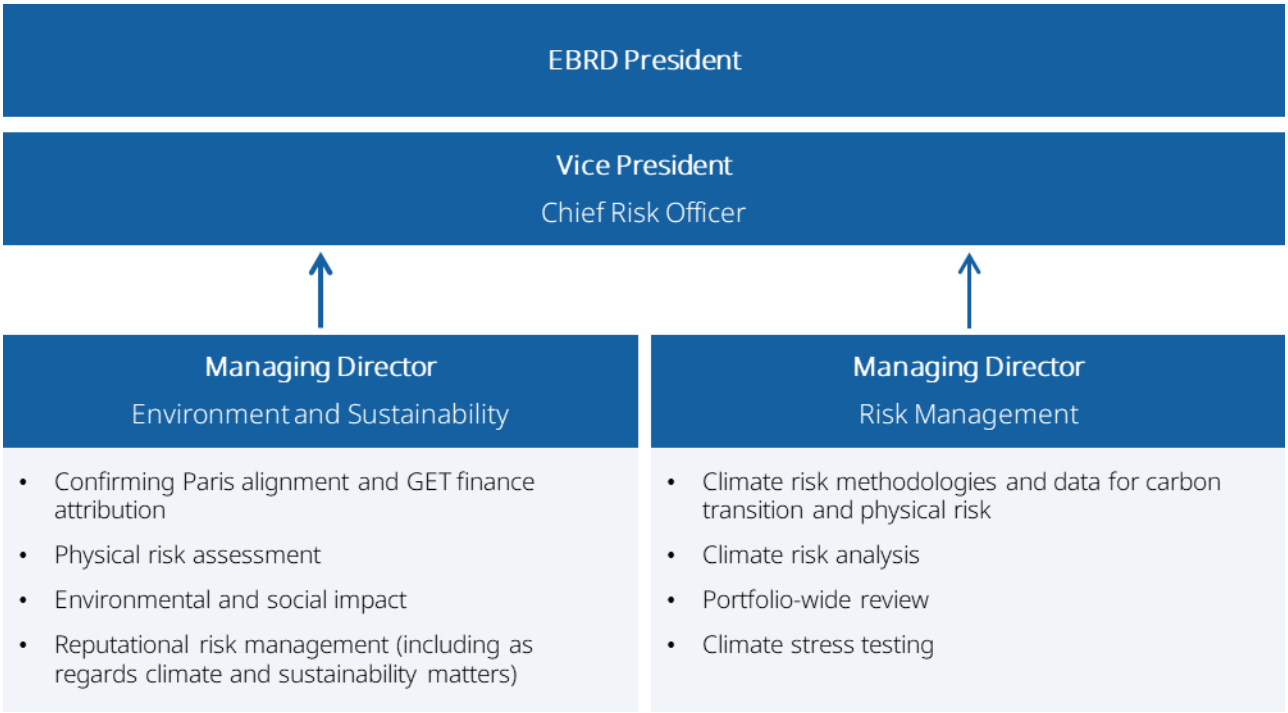
CSD is also responsible for proposing the alignment of individual projects with the Bank's green objectives, including integrating climate risk mitigation measures into project design.

Second line of defence

Within the second line of defence, the Vice President, Chief Risk Officer (CRO) has overall accountability for the formulation, communication and implementation of the EBRD's risk management strategy and policies, including for climate-related and other sustainability risks. This includes accountability for the final determination of Paris alignment and green finance attribution, assessment of the climate risk of the Bank's clients, and implementation of the Bank's Environmental and Social Policy (see Figure 2). The CRO, who reports to the President, is a member of several management committees, including the Executive Committee, and engages directly with the Board of Directors.

The Risk Management Department has established a dedicated Climate Risk team to manage the systematic integration of climate risk across the Bank. It acts as the coordinating function for the financial assessment of climate risks. This includes developing, testing and recalibrating climate risk methodologies and overseeing their implementation across the Bank's projects. The Climate Risk team also drives and controls the requisite data collection and analysis, as well as the formulation of new procedures for project screening. The Head of Climate Risk reports to the Managing Director, Risk Management.

Figure 2. Management coordination and accountability in the second line of defence



18 See Box 1 in Section 3.1 for further information on the Bank's GET Strategy.

Risk Management is responsible for:

- ownership of climate risk methodologies and key data inputs – the independent definition of climate risk and ownership of the methodologies for assessing the financial impact of climate risks; reviewing, challenging and approving data inputs provided by other teams; scoring, reviewing and overseeing the assessment process
- climate risk analysis – independent challenge, review and overall confirmation of the acceptability of EBRD clients' climate-related financial risk based on information provided by the first line of defence
- portfolio-wide reviews and stress testing – assessing and proposing ways to manage climate risks arising from correlations and concentrations within the Banking portfolio; climate scenario analysis and stress-testing exercises.

Among other things, the Environment and Sustainability Department (ESD) is responsible for:

- confirming Paris alignment[19] – final validation of projects' alignment with the goals of the Paris Agreement for both climate change mitigation and adaptation, based on project documentation provided by the first line of defence; this includes the final verification of assessments of counterparty physical climate risks performed by the first line of defence
- confirming GET finance[20] attribution – final verification of green (GET) finance attribution, based on the contribution a project makes to climate action and other environmental benefits according to project documentation provided by the first line of defence
- environmental and social safeguards – identification and management, as the custodian of the Bank's Environmental and Social Policy,[21] of potential environmental and social risks and impacts associated with projects financed by the EBRD, aiming to avoid, mitigate and minimise adverse impacts while promoting better outcomes for people and the environment
- environmental and social monitoring – monitoring of the environmental and social performance of projects during and after project implementation, through client reports, site visits, independent audits and a post-signing monitoring approach for green investments, ensuring the delivery of GET goals and climate commitments.

Between them, the Risk Management Department and the Environment and Sustainability Department provide comprehensive second-line-of-defence controls across all key aspects of sustainability risk. A direct reporting line to the Chief Risk Officer gives them an opportunity to escalate issues and facilitate informed discussion on balancing risks and opportunities in the sustainability space at the level of both strategic direction and individual project decision-making.

The Finance Department is responsible for preparing the *ISSB Report*, including the review of narratives and metrics prepared by other Bank departments to fulfil the reporting requirements of the applicable IFRS Sustainability Disclosure Standards, and the coordination of the annual financial materiality assessment.

The Bank has formed a Climate Risk Group as an important cross-Bank briefing and engagement group to disseminate information widely and foster debate on climate-related financial risks. The group comprises senior representatives of key internal functions, including the Client Services Group, ESD, Finance and the Office of the General Counsel. The group meets when significant updates are carried out and is chaired by the Managing Director, Risk Management.

The Bank has also formed a Sustainability Reporting Steering Committee, chaired by the Managing Director, Finance. This committee is a cross-Bank coordination group for the production of assured sustainability reporting at the EBRD. Among other responsibilities, it coordinates and approves the Bank's annual sustainability-related materiality assessment and the production of the *ISSB Report*.

19 See EBRD (2024b).

20 Financial flows directed to climate change mitigation or climate change adaptation or other environmental activities as defined in the EBRD's green finance tracking methodology. This term is used interchangeably with the term "green finance".

21 See EBRD (2024a).

Third line of defence

As the third line of defence, the Internal Audit Department independently assesses the effectiveness of the processes within the first and second lines of defence. The Internal Audit Department reports to the Audit and Risk Committee on a quarterly basis and is an observer at Risk Committee meetings.

2.4. Skills and remuneration

The Bank is committed to the highest standards of corporate governance. Responsibilities and related controls throughout the Bank are properly defined and delineated, with specific teams – several of them specialised in sustainability-related matters – bearing clear responsibility for the various elements of the Bank's sustainability architecture. Transparency and accountability are integral elements of the EBRD's corporate governance framework. This structure is supported by a reporting system, with information appropriately tailored and disseminated to each level of responsibility, to enable checks and balances on the EBRD's activities and allow it to function effectively.

To meet the highest standards of corporate governance, the Bank has designed a market-oriented staff reward policy within the constraints of its status as an international financial institution (IFI). Rewards should:

- be competitively positioned in order to attract and retain high-calibre employees with relevant expertise from the wide range of Bank regions
- promote a culture of consistently high performance and behaviours that reflect EBRD values, in which competencies are recognised and rewarded
- facilitate mobility in support of business objectives and continued staff development
- deliver a high-quality package of benefits on a global basis to provide an appropriate level of security and be relevant to a diverse employee base
- engage with employees through an open and transparent overall reward process.

To help comply with these principles, the Bank uses market comparators to evaluate its staff compensation and aims to ensure that salary and performance-based compensation awards are merit-based. Market comparators for the Bank are primarily private-sector financial institutions in each of its locations, plus other IFIs.

Board

To ensure an equitable focus on all strategic priorities and operational objectives of the Bank, the remuneration of EBRD Board directors, as representatives of the Bank's shareholder governments and organisations, is fixed and not linked to individual organisational objectives, or corporate climate- or sustainability-related performance.

President and Vice Presidents

The President and Vice Presidents typically receive a fixed-term contract of four years. To ensure an equitable focus on all strategic priorities and operational objectives of the Bank, they receive fixed annual salaries that are not linked to specific organisational objectives, including climate- or sustainability-related performance. They are also ineligible for performance-based compensation awards.

Senior management and staff

The Bank's performance is assessed annually as a basis for a proposed performance-based compensation (PBC) budget to be released for payment to eligible staff. This assessment is done relative to each of the Bank's scorecard parameters, in accordance with the current framework.

In determining the Bank's overall PBC pool, the Board of Directors considers a quantitative assessment of the Bank's performance against the different elements of the scorecard, in combination with a qualitative assessment, which is focused on contextual and exogenous factors impacting the Bank's performance.

The Bank has a target of having green finance account for at least 50 per cent of ABI.[22] "Green" is also one of the six transition impact qualities[23] and is central to the Bank's development mandate. Green investment as a share of the total volume of ABI has a weight of 15 per cent in the quantitative assessment of overall Bank performance.

Once the PBC pool has been approved by the Board of Directors, PBC awards are used to recognise and reward high levels of performance by staff. All Banking teams, including support functions, have specific objectives with a view to fulfilling the Bank's green aspirations. The level of PBC awarded to eligible individual staff members, including senior staff (such as directors and some managing directors), is based on their performance against role-specific objectives, which may vary in terms of their sustainability components.

Senior leaders have dedicated objectives when it comes to ISSB reporting and the incorporation of processes for the systematic assessment of climate risk. Their performance against these objectives impacts part of their remuneration. Furthermore, in the Risk Management Department, for example, these objectives cascade down to ensure that climate risk is at the forefront of considerations when critically assessing individual investment projects.

The EBRD's Board of Directors and the senior management team comprise experienced individuals who are highly skilled in overseeing climate-related risks and opportunities for the Bank.[24] EBRD senior managers are required to take internal and external training specific to their roles on an annual basis.

As the EBRD's Board of Directors and the senior management team are responsible for approving the overall strategic direction and implementation of the Bank's climate-related processes – such as green finance attribution, Paris alignment and climate risk assessment – on a recurring basis, they are required to keep their climate-related skills and competencies current through relevant training, conference attendance and ongoing peer-group exchange. As part of the development of the GET Strategy, a series of briefings and technical sessions on green assessments were delivered to Board advisers, supporting ongoing upskilling on sustainability.

22 See Section 5 on metrics and targets.

23 For more on the Bank's six transition qualities, see https://www.ebrd.com/home/who-we-are/ebrd-values/ebrd-transition.html.

24 For more information, see https://www.ebrd.com/home/who-we-are/our-organisation/ebrd-governance-leadership.html.

3. Strategy

As described in Section 2, the Bank has identified several climate- and sustainability-related risks and opportunities that are material in the context of sustainability reporting.[25] This section includes information on how the Bank addresses climate- and sustainability-related risks and, in particular, the material opportunities identified:

- **Demand for climate- and sustainability-related financial products offered by the Bank to its clients:** The Bank offers a number of financial products that are specifically designed to achieve green objectives by funding projects consistent with those objectives. There is a material opportunity for the Bank to expand its business in these areas, generating additional revenue.
- **Climate- and sustainability-related investment and donor funding:** The Bank already receives investment from both (i) investors keen to emphasise green objectives through its issuance of themed bonds (see Section 5.4) and (ii) donors that wish to provide financial assistance to projects aimed at delivering green objectives. The Bank has a material opportunity to generate greater volumes of finance in these areas, further enhancing its capacity to deliver green projects.

3.1. Overview

The promotion of environmental sustainability has been at the core of the EBRD's mission since its creation in 1991, with a mandate from its founders to promote "environmentally sound and sustainable development" across its full range of activities.[26] "Green" is also one of the six transition qualities that the Bank uses to assess an economy's transition.[27]

Bank strategies, policies and approaches relevant to climate and sustainability considerations include the following:

- The Strategic and Capital Framework (SCF), the EBRD's primary planning instrument, is approved every five years by the Board of Governors. At the EBRD's 2025 Annual Meeting, Bank shareholders approved the SCF 2026-30,[28] which includes support for the green transition as one of its three strategic priorities alongside (i) economic governance and (ii) human capital and equality of opportunity for all. The SCF defines capital deployment priorities aligned with the green transition, while the GET Strategy establishes quantitative portfolio targets that directly shape allocation decisions. At the same time, climate-related factors influence credit risk through Paris alignment, sector strategies and project-level due diligence, affecting the approval of investment, pricing and portfolio composition. These are the mechanisms through which climate considerations are integrated into financial planning and capital allocation.
- The Bank's GET Strategy 2026-30 sets out the EBRD's climate and environmental objectives (see Box 1) with a view to supporting the green transition in its regions over the next five years.[29] The Bank will achieve its targets by significantly stepping up its ambition in two mutually reinforcing areas with the aim of facilitating systemic change. The first goal is to scale up market-enabling activities in six core economic systems critical to the green transition: energy, industrial, agrifood, transport, urban and finance. The second is to deliver cumulative green financing of at least €150 billion in 2026-30 (see Box 1).
- At the EBRD's 2021 Annual Meeting, the Board of Governors agreed that all new activities from the start of 2023 should be fully aligned with the goals of the Paris Agreement,[30] thus accelerating the Bank's support for ambitious low-carbon and climate-resilient pathways in the economies where it operates. All new activities since January 2023 have been aligned with the goals of the Paris Agreement (see Box 2).[31, 32]

25 For further information on the difference between financial materiality and material topics identified for disclosure in this report, see Section 1.
26 See EBRD (1990).
27 For more details, see https://www.ebrd.com/transition/green.html.
28 See EBRD (2025d).
29 See EBRD (2026b).
30 See Box 1 for more information.
31 Aside from certain projects excluded from Paris alignment assessment, as explained in detail in Section 5.4.
32 See EBRD (2022).

- Country strategies cover individual economies in which the EBRD invests and are revised every five years according to country-specific timetables. The strategies identify areas where the Bank can assess, manage and deliver on its climate-related objectives, taking into account the country's economic context and risk profile, as well as the Bank's mandate and risk appetite. In 2025, all EBRD country strategies incorporated green transition priorities in at least one strategic priority.
- Sector strategies are revised every five years. For example, the Energy Sector Strategy 2024-28, approved in December 2023, aims to scale up renewables and accelerate a just transition away from fossil fuels.[33] Other key sectoral strategies recently approved by the Board of Directors include: (i) the Food and Agribusiness Sector Strategy 2025;[34] (ii) the Infrastructure Sector Strategy 2024-29, approved in 2024;[35] (iii) the Real Estate Sector Strategy 2025-29, approved in 2025;[36] (iv) the Financial Sector Strategy 2026-30, approved in 2025;[37] and (v) the Mining Sector Strategy 2024-28, approved in 2023.[38] Regional transition and physical climate risks and opportunities shape the Bank's country strategies, which aim to enhance mitigation, adaptation and resilience efforts in the regions where the EBRD operates.
- The EBRD's Approach to Nature[39] sets out how the Bank will scale up action to deliver more benefits for nature and support the goal of halting and reversing biodiversity loss by 2030 based on three pillars: (i) protect – review the ESP to maintain good international practice (GIP) and leverage due diligence to identify opportunities for net biodiversity gains; (ii) invest – develop new nature finance models in blue-green infrastructure, pollution prevention, and the circular economy and nature governance, including policy dialogue and donor partnerships; (iii) disclose – observe relevant disclosure standards and timelines for reporting on nature impacts and dependencies, work with other MDBs on definitions and reporting principles, and support clients in sharing baseline biodiversity data using an EBRD technical guidance document for publishing to the Global Biodiversity Information Facility (GBIF). For further information, see the Bank's *GRI Report 2025*.
- The ESP 2024 sets out the Bank's framework for assessing and mitigating the environmental and social risks and impacts of its projects by ensuring that they are structured to meet good international practice on environmental and social matters and provide sustainable outcomes. The ESP draws on a number of authoritative intergovernmental instruments, including International Labour Organization (ILO) conventions, the International Bill of Rights and the Kunming-Montreal Global Biodiversity Framework.

Box 1. Green Economy Transition Strategy 2026-30

The Bank has a high-level objective of supporting open, market-oriented and private sector-led economies that: (i) deliver a green transition (by reducing GHG emissions, underpinned by energy efficiency, improving their ability to deal with the impacts of climate change, and protecting and restoring nature); (ii) build competitive markets (by strengthening private-sector competition, the role of small and medium-sized enterprises (SMEs) and innovation); and (iii) enhance economic resilience (by preparing for future shocks, improving crisis response, and enhancing energy and food security).

The Bank will meet this high-level objective by achieving ambitions in two mutually reinforcing areas aimed at facilitating systemic change:

1. Scaling up market-enabling activities in six core economic systems critical to the green transition: energy, industrial, agrifood, transport, urban and finance

The energy system: The Bank will target a tripling of the renewable energy capacity it finances or facilitates in 2023-30 relative to cumulative Bank delivery in 2010-22. This would add an additional 35 GW of renewable capacity in 2023-30, accounting for an estimated 10 per cent of all new renewable energy capacity to be installed across the EBRD regions during that period.

33 See EBRD (2023a). For example, the Energy Sector Strategy 2024-28 emphasises accelerating the energy transition through actionable priorities, such as scaling up renewable energy, upgrading power networks, promoting zero-carbon fuels and phasing out unabated fossil fuels. In line with the Energy Sector Strategy, the EBRD will not finance thermal coal mining or coal-fired electricity generation capacity, and will not invest in the upstream oil and gas sector.

34 See EBRD (2025a).

35 See EBRD (2024c).

36 See EBRD (2025b).

37 See EBRD (2026c).

38 See EBRD (2023b).

39 See EBRD (2023c).

As countries consider their options and priorities for generating new capacity to meet rising energy demand, the Bank will assist countries in evaluating the full suite of technological solutions, including nuclear power, that can be cost-effectively deployed to realise a green transition and provide reliable and affordable energy. The Bank's work will address the regulatory and market hurdles holding back the energy transition. It will also focus on building enabling infrastructure (namely, networks and storage); promoting the demand-side elements of energy efficiency and electrification; tackling short-lived climate pollutants by reducing methane emissions in all sectors in light of their links to health outcomes and economic growth; and exploring the role of nuclear energy in the green transition.

The industrial system: The Bank will target a doubling of its policy activities relative to 2021-25 and create more than 20 national or sectoral low-carbon and climate-resilient pathways. These pathways will seek to cover an additional 40 million tonnes of annual GHG emissions and identify investment and policy reform needs to transform industrial systems.

The Bank will support hard-to-abate industries in integrating new technologies and circular economy principles that deliver efficiencies and address high production costs, helping them to remain competitive in global markets. The Bank will also engage with emerging innovative sectors and producers of critical raw materials, where the green transition will bring commercial opportunities by entering new markets.

The agrifood system: The Bank will scale up its efforts to deliver 30 national and value chain-focused green transition plans and strategies. These plans will seek to cover an additional 10 million tonnes of GHG emissions.

The Bank will take a holistic, sector-level approach, with a focus on critical food value chains, identifying actions that are "climate smart" and protect nature, while also improving operational efficiency (particularly for processing and logistics) and reducing food loss (to safeguard food security).

The transport system: The Bank will target a doubling of its activities relative to 2021-25 to create 20 green transition strategies and plans for transport operators. These will seek to cover an additional 8 million people and 80 million tonnes of freight, to reduce their environmental impact while creating jobs and promoting regional integration and new market opportunities.

Focusing on the road, rail, air and water transport networks, the Bank will identify the investment and policy reforms required to support a green transition while also enhancing the integration and efficiency of transport networks for goods and people, and supporting the greening of transport systems by electrifying vehicles.

The urban system: The Bank will target 40 urban-related green transition strategies and plans, increasing delivery by 25 per cent relative to 2016-25 (a period of substantial activity, primarily through the Bank's flagship Green Cities programme). These activities will seek to increase the urban population that is covered by Bank-supported plans and strategies, increasing it by 20 million to a total of 100 million people.

Anchored in the political and economic realities of each city, these strategies and plans will identify, benchmark and prioritise investment and policy reform actions in areas such as energy, urban transport, buildings, industry, water, solid waste and land use. While recognising that urbanisation patterns, economic structures and policy contexts differ significantly across the EBRD regions, some commonalities will be tackled, including the need for integrated urban planning and improved economic governance. Where relevant, these strategies will take into account the functional linkages between cities, secondary towns and rural areas, recognising their role in transition.

The financial system: The Bank will work to facilitate transition-plan adoption by the banks it finances, aiming to triple coverage by 2030. This would mean more than 60 per cent of client banks having and disclosing the core elements of a transition plan, up from around 20 per cent in 2025. It would leverage the full financing ability of the EBRD's client banks, representing capital assets of around €2 trillion in today's value. EBRD support will be based on client demand, in line with market trends, regulatory requirements and investor expectations.

Using transition plans as a tool to integrate green transition considerations into business practices, and carrying out activities to support transition planning, the Bank will work to improve risk management and identify investment opportunities for its partners. The EBRD will focus on building green financing capacity, including by deepening and expanding capital markets and blended financing, to provide the green finance needed in the other five systems.

2. Delivering cumulative green financing of at least €150 billion in 2026-30

The EBRD's financing goal – a floor it will seek to exceed – comprises the Bank's own account and the funds it mobilises both directly and indirectly from the private sector. Where its own account is concerned, the Bank will use its resources to achieve two targets. It will continue to invest at least 50 per cent of its own financing for green purposes. Accordingly, by proactively identifying business opportunities to build climate resilience and address fragility, the Bank will increase the number of projects with an adaptation finance component by at least 50 per cent relative to what it delivered in 2021-25. This cumulative financing target corresponds to growth of around one-third over five years relative to 2021-25, and amounts to around 5 per cent of the total green financing needs of the EBRD regions in 2030.

Box 2. Alignment with the Paris Agreement

The EBRD's approach to aligning its own activities with the Paris Agreement is integral to its support for climate action. Since 1 January 2023, all new Bank investments have been subject to assessment and confirmation of Paris alignment.[40]

In putting into practice its Paris alignment commitment, the EBRD is guided by the goal of limiting the world's temperature increase to 1.5°C above pre-industrial levels.

The Paris alignment of the EBRD's financial flows is anchored in Article 2.1 of the Paris Agreement to make "finance flows consistent with a pathway towards low GHG emissions and climate-resilient development".[41] The alignment of finance, therefore, relates to the alignment of the EBRD's financial flows with both the mitigation and adaptation goals of the Paris Agreement.

The EBRD's Paris alignment methodology sets out how the Bank determines whether an investment or technical cooperation activity is "aligned" or "not aligned" with the mitigation and adaptation goals of the Paris Agreement.[42] This relates to the first and second building blocks of the MDBs' joint framework for alignment with the objectives of the Paris Agreement.[43]

The methodology aims to ensure a clear approach to alignment determination for all project types, covering the full suite of available financial instruments. It consists of three parts: (i) directly financed investments; (ii) indirectly financed investments; and (iii) other investment types, including equity and funds.[44] The methodology is also supported by sector-specific guidance on energy (fossil-fuel projects and district energy), buildings, transport (including roads and aviation), waste and agribusiness.

40 Aside from certain projects excluded from the Paris alignment assessment, as explained in detail in Section 5.4.

41 See UNFCCC (2015).

42 See EBRD (2024b).

43 See ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2018).

44 See EBRD (2024b).

3.2. Strategic priorities in the short, medium and long term

Table 5 summarises the EBRD's climate- and sustainability-related strategies and commitments, with specific objectives over various time horizons. These time horizons are defined as short term (less than one year), medium term (one to seven years) and long term (more than seven years). While some climate commitments are immediate priorities, with specific near-term targets, other strategic priorities are implemented continuously over time. Opportunities identified as material are embedded in the Bank's climate- and sustainability-related strategies and commitments listed in Table 5, and are, therefore, allocated to the time horizons in which they could reasonably be expected to occur. Some of these strategic priorities have related metrics and targets, which are disclosed in Section 5 of this report.

Table 5. Strategic priorities over different time horizons

Strategy/ commitment	Time horizon[§]	Objective	Potential impact
Paris alignment	S	From 1 January 2023, all new EBRD investments and activities must be aligned with the goals of the Paris Agreement.[45]	Accelerate the sustainable transition of the Bank's clients and the economies in which it operates. Approach to reduce emissions from the Bank's own use of electricity, gas and water, as well as travel and procurement.
Green finance	S	Green finance to account for at least 50 per cent of the Bank's annual investment. Number of projects with an adaptation finance component to increase by at least 50 per cent relative to what was delivered in 2021-25.	The EBRD finances green transition investments. Balance-sheet focus shifts to lower-emitting sectors over time, with support for transition projects and activities/initiatives following low-carbon strategies. May result in a temporary increase in balance-sheet volumes for some high-emitting clients.
Mobilisation of green finance	M	Cumulative green financing to total at least €150 billion in 2026-30.	This includes the Bank's green finance plus mobilised private finance and increases the mobilisation of private-sector finance for green activities.
Scale up market-enabling activities in six core green transition economic systems	M	Focus on change in six systems critical to the green transition: energy, industrial, agrifood, transport, urban and finance (see Box 1).	These areas seek to address fundamental and pervasive market failures (distortive energy subsidies, a lack of information and capacity to implement cost-effective solutions, network effects and a lack of innovation incentives) that distort markets and hold back market transition in the EBRD regions.
Country strategies	M	Inclusion of climate risk and opportunity considerations. Encourage and finance low-carbon transition in economies where the Bank operates.	More climate-resilient client balance sheets, client selection and engagement, with the ability to sustain transition risk and mitigate expected material physical climate hazards. In addition, EBRD policy engagement helps mitigate the risk at country level.
Support transformation of clients	L	Support client transition and green activities.	Gradual transformation of the corporate sector to identify, manage and assess climate-related opportunities and risks. Support partner banks in allocating capital in a climate-informed way, with the aim of lowering adverse climate-related financial and economic impacts.

[§] S = short term, M = medium term, L = long term.

45 Aside from certain projects excluded from the Paris alignment assessment, as explained in detail in Section 5.4.

Specific strategic initiatives

The Bank engages in various initiatives to promote the green transition and green investment, some of which are highlighted below.

Country sector platforms

Country sector platforms are country led and, with MDB participation, can mobilise private finance for the transition to a low-carbon and climate-resilient economy. A country sector platform combines:

- country leadership for ambitious national climate planning
- regulatory frameworks to promote private investment
- concessional and grant finance for public goods and technical assistance, including for just transition
- catalytic MDB finance
- pipeline development and private-sector mobilisation.

The EBRD has been a leading partner in this area, helping to design, support and implement successful country platforms in many economies (including Egypt and North Macedonia), particularly in relation to the energy transition. At the COP30 climate conference in 2025, another 13 countries – including EBRD investee economies Kazakhstan, Nigeria and Mongolia – and one region announced plans to develop platforms. Several platforms have involved the participation of other MDBs and development partners to support implementation.

Renewable energy

The Bank's Renewable Energy Market Accelerator (REMA) has helped to advance uptake of renewables, using policy dialogue to create enabling conditions that unlock flows of private capital, particularly through the design and implementation of auctions for renewable energy facilities. REMA supported eight countries with auctions for a total of 13.8 GW of capacity in 2021-25. In 2025, nine projects selected in REMA-supported auctions were confirmed as having reached financial close. Only four of them involved direct EBRD financing, showing that the right regulatory environment enables the mobilisation of private finance at scale without EBRD support. REMA also supported new funding arrangements for renewables in Kosovo and the opening up of Egypt's electricity market with private-to-private contracts.

EBRD Green Cities

The EBRD Green Cities programme provides an investment framework of more than €5 billion of Bank and donor support for cities in the EBRD regions in the form of targeted investment, policy actions and capacity building, seeking to facilitate cities' transition to green, low-carbon and resilient futures. The programme, which was launched in 2016, consists of three central components: (i) the delivery of strategy and policy support through Green City Action Plans (GCAPs); (ii) the facilitation and stimulation of Green Cities infrastructure investments; and (iii) capacity building, technical assistance and knowledge sharing for city administrators and local stakeholders.

In 2025, EBRD Green Cities launched a fully revised and improved GCAP approach, and eight cities with a total population of 35 million people – including Agadir, Cairo, Istanbul and Vilnius – formally adopted a plan. By end-2025, a total of 44 cities had adopted GCAPs, and around 77 per cent of actions had been completed, were being implemented or were being prepared. This improved approach includes the integration of innovative pilot topics (such as nature-related risks and benefits) into urban investment planning.

Green Economy Financing Facilities

In the financial sector, the EBRD has rolled out innovative products and practices to deliver financial instruments targeting green outcomes and transition plans. The Bank's Green Economy Financing Facilities (GEFFs) work with more than 190 partner financial institutions (PFIs) to funnel funding into its investee economies. The Bank's active portfolio of GEFFs delivered nearly €3 billion in 2021-25 for on-lending to 90,000-plus small businesses and homeowners to finance energy-efficiency and renewable-energy technologies.

The Bank also helps PFIs build capacity to develop climate transition plans, delivering training to over 300 staff at more than 70 PFIs, enabling them to integrate climate-related risks and opportunities into their strategies, governance and operations. In Bosnia and Herzegovina, Moldova and Serbia, the EBRD has convened senior banking-sector leaders to reinforce accountability and strategic dialogue on climate issues.

Capital market development

Capital markets provide a critical source of funding, contributing to financial resilience and sustainable growth. The EBRD undertakes policy dialogue in the economies where it operates to ensure that green taxonomy standards are uniform and aligned with globally recognised principles. Furthermore, the Bank helps prospective issuers to prepare for their inaugural green issuance (for example, by improving their ability to identify, monitor and track green assets), thus increasing the supply of green assets over time.

The Bank also issues its own bonds. The EBRD issues three different types of green bond: environmental sustainability bonds (ESBs), climate resilience bonds (CRBs) and green transition bonds (GTBs). All the Bank's green bonds are underpinned by projects that have been scrutinised for alignment with the framework established for each bond programme. New eligible projects are required to comply with the strict selection criteria of the relevant framework and must also clear specific hurdles under the GET approach. The EBRD's green bonds can take the form of Eurobonds, global bonds and domestic issues in selected markets, like the Bank's general debt issuance.

3.3. Effects on the EBRD's business model and value chain

Sustainability-related considerations will continue to influence the EBRD's investment decisions, presenting both risks and opportunities. The Bank's mandate to develop the economies in which it invests, especially to facilitate a low-carbon transition, increases its exposure to clients at risk from this transition. These risks, and their potential evolution, could impact the Bank's business model and value chain in terms of investment returns and concentration of risk, with current financial effects being assessed and reflected in the Bank's 2025 financial statements and anticipated effects in future years being considered in the Bank's climate scenario analysis.

Opportunities

The EBRD's business model and value chain give rise to sustainability-related opportunities, particularly given the increase in demand for the Bank's sustainability-related financial products and the expansion of sustainability-related investment and donor funding as sources of Bank finance. Given its mandate to support sustainable economic development, the EBRD is well positioned to capitalise on these opportunities to enhance its financing activities, investment returns and market presence, with positive current financial effects as reflected in the 2025 financial statements. The EBRD also anticipates the financial effects that can reasonably be expected in future years, taking market trends into account.

Growing demand for green financial products (such as green bonds, sustainability-linked loans and renewable energy financing) is shaping the Bank's investment strategies and product offering. This shift is in line with global trends favouring sustainability-focused investments, driving new revenue streams and strengthening relationships with private- and public-sector stakeholders.

In addition, the availability of climate-focused funding from investors, donors and institutional partners is enhancing the EBRD's financial capacity, enabling it to mobilise larger capital flows to sustainable projects. This funding expansion supports co-financing mechanisms, blended finance structures and risk-sharing initiatives, increasing the Bank's ability to scale up climate-aligned investments while maintaining financial resilience.

These opportunities, which are based on client demand, will influence sectoral and regional investment priorities, as certain industries and regions may benefit more from green financing trends and sustainability-focused funding mechanisms. To capitalise on these opportunities, the EBRD is actively enhancing its green finance capabilities, expanding its portfolio of green financial instruments and strengthening partnerships with donors, multilateral institutions and private investors. This is discussed in greater detail in Section 3.4.

Risks

The EBRD's business model and value chain are mainly exposed to climate-related risks through its investment activities, not least because of the Bank's GET Strategy 2026-30.

By their nature, climate- and sustainability-related risks are likely to be concentrated in specific sectors and regions. The Bank's investments in infrastructure, energy and agriculture can be particularly susceptible, for instance. In particular, parts of the energy and infrastructure sectors have elevated exposure to transition and physical climate risks. And while agriculture is sensitive to both transition dynamics and physical climate variability, agricultural exposure to high or very high climate risk accounts for a more moderate share of the Bank's portfolio under current methodologies.

The concentration of the Bank's sectoral and geographical exposure to both transition and physical climate risks is detailed in Section 5.3. More broadly, the Bank's business model also exposes it to climate-related reputational and political risk.

To manage these risks, the EBRD has implemented various measures, as detailed in Section 4 of this report. To some extent, this includes aligning all new investments with the goals of the Paris Agreement, enhancing climate-related risk assessment and monitoring capabilities, and structuring projects to comply with the Bank's ESP. Investments in physical assets and infrastructure, especially in high-risk areas, are subject to increased scrutiny for climate resilience. The Bank's climate risk screening and assessments extend to both sovereign and equity investments, ensuring that investments in physical assets are evaluated for their vulnerability to climate impacts.

Climate-related considerations will continue to influence the EBRD's investment decisions. The Bank is committed to refining its climate-related risk assessment and monitoring capabilities to better manage these risks and support the transition to a low-carbon economy. For further details of the material sustainability-related risk identified – reputational risk – refer to Section 4.

3.4. Sustainability- and climate-related opportunities

Demand for financial products and services

As the EBRD facilitates the green objectives of its clients and shareholders, it may potentially stand to benefit financially from the increase in demand for related products and services, and from the growing integration of sustainable investment trends, regulatory alignment and demand for sustainability-aligned products and services. This context creates opportunities to strengthen long-term revenue streams and support transition priorities (for example, green bonds and social bonds).

The shift towards demand for climate- and sustainability-related opportunities may be driven by a number of factors, including macroeconomic trends, regulatory incentives, changing legislation and investor preferences. This can potentially enhance both revenue growth and financial stability, given the heightened policy and market focus on biodiversity, water security and nature-based solutions (for example, Global Biodiversity Framework implementation and EU nature and water priorities).

A market shift towards green investment is increasing demand for low-carbon infrastructure financing, climate adaptation projects and green credit lines, potentially leading to higher lending volumes and revenues. By supporting businesses, municipalities and financial institutions transitioning to greener models, the EBRD can expand its client base and enhance its long-term growth prospects, with green considerations potentially strengthening market positioning and supporting stable revenue generation.

Expanding investment in green financing not only diversifies income streams, but also improves the quality of investments in sectors exposed to climate-related financial risks. Global policy and market shifts towards a green transition create sustained demand for EBRD-backed green financing, ensuring long-term financial sustainability. In summary, these factors support retained earnings generation, enhance capital efficiency and reduce exposure to transition-related financial risks. Collectively, this strengthens the resilience and long-term sustainability of the Bank's equity base.

Financial effects on most relevant line items in EBRD's consolidated financial statements

Effect	Relevant line items in the EBRD's consolidated financial statements
Increased demand from clients for products and services	Income statement: interest income from Banking loans Balance sheet: loan investments and impairments, impact on equity

Sustainability investments and funding

As the EBRD expands its green finance activities, increasing the mobilisation of private-sector and donor support will enhance its financial position and impact. By securing additional funding sources, leveraging blended finance and scaling up investment in green projects, the EBRD can drive higher returns. Integrating green considerations can attract greater investor and donor interest as international focus and framework alignment grow, helping to reduce downside risk and support more stable revenue generation.

The EBRD can raise funding by issuing green bonds and sustainability-focused financial instruments, attracting institutional investors seeking low-carbon investments. Accessing EU funds and concessional finance from multilateral funds such as the Green Climate Fund will allow the Bank to derisk investments and crowd in private capital. In addition, growing commitments from sovereign donors, impact investors and corporate sustainability initiatives will provide new opportunities for co-financing and risk sharing in green projects.

Blended finance plays a crucial role in unlocking private investment. By combining donor capital, guarantees and concessional finance with commercial investments, the EBRD can make green projects more attractive to private-sector financiers. Public-private partnerships further support this strategy by enabling collaborations with governments and institutional investors, expanding the Bank's climate project pipeline while reducing investment risk for private players, and scaling up green infrastructure.

By expanding green financial products and capitalising on regulatory trends, the EBRD can achieve sustainable revenue growth, increase financial resilience and strengthen market positioning, all while driving the green transition in its regions of operation.

Financial effects on most relevant line items in EBRD's consolidated financial statements

Effect	Relevant line items in the EBRD's consolidated financial statements
Increased demand for sustainability-related issuance and funding	Income statement: interest expense and similar charges Balance sheet: debts evidenced by certificates

3.5. Climate resilience and transition plan

As part of its commitment to enhancing climate risk management and strategic decision-making, the EBRD uses both long- and short-term scenarios for transition stress testing to assess the potential financial and economic impacts of climate change on its portfolio, as described in Section 4.3. These efforts support the Bank's strategy of integrating climate considerations into its investment and risk management frameworks, ensuring alignment with evolving regulatory and market expectations.

The Bank's approach to climate matters is mainstreamed throughout its key strategic documents. While this is not captured in a "transition plan" based on the Transition Plan Taskforce Disclosure Framework, the Bank has oriented its operations towards climate transition and continues to develop and refine its climate-related work to deepen its impact in the context of its mandate.

4. Risk management

4.1. Integration of climate and sustainability considerations into risk management processes and frameworks

The EBRD identifies and manages climate- and sustainability-related risks through its existing risk management framework, underpinned by its independent second-line-of-defence functions, as described in Section 2.3. The core elements of the Bank's risk management framework include processes for identifying, assessing and managing credit risk, market risk, liquidity risk and operational risk, in line with and as detailed in the EBRD's *Financial Report 2025*.[46]

The Bank considers climate-related risks to be cross-cutting risks that impact financial credit risk in particular, while sustainability-related risks largely impact operational and reputational risk. The links between these types of risk and climate risk are summarised in Table 6. For more details about the climate- and sustainability-related risks that are assessed as being material, see that table below.

Table 6. Impact of climate- and sustainability-related risk on the EBRD's existing risk management framework (including risks identified as material)

Risk type	Time horizons[§]	Impact	Response
Credit risk (material) Potential loss to a portfolio resulting from the default of a counterparty or a deterioration in its creditworthiness	S M L	Counterparty or project assets could become stranded in the low-carbon transition, particularly in a disorderly transition. A counterparty's financial performance could deteriorate as a result of changing demand for its products and services or emission costs. Counterparty revenues, expenses or assets could be impacted by damage resulting from the changing probability of physical climate events or changing long-term weather patterns.	Identify, assess and manage climate-related risks in the process of conducting due diligence, and preparing and structuring individual transactions. Consider how to mitigate climate risk through climate-resilient investments or structures. Involve Risk Management as part of standard due diligence in reviewing and challenging where appropriate. Systematically screen for climate risks faced by counterparties.
Market risk (material) Potential loss resulting from adverse market movements, primarily driven by (i) interest rate risk, (ii) foreign exchange risk, (iii) equity risk and (iv) commodity price risk	S M	There may be sudden fluctuations in demand for and the supply of financial instruments, and changes in rates (exchange rates, interest rates and so on), equity prices and commodity indices as a result of physical climate change or disruptive transition.	The equity portfolio is subject to equity and foreign exchange risk. The methodology used is independent of that for climate-related risk, but any risks affecting equity index observables (including climate-related risks) are taken into account. With the exception of risks to the equity portfolio, the Bank seeks to maintain very low residual market risk on the majority of its Banking transactions, as well as its Treasury assets and liabilities. This is achieved by, among other things, hedging foreign exchange and interest rate risk. The maximum amount of market risk accepted in this context is set out in the Bank's Treasury Authority and Liquidity Policy. In the event of climate-related market volatility, the Bank can either further hedge its Treasury exposure or carry the increased risk temporarily, thanks to the moderate base level. The Bank's Treasury portfolio is monitored using a value-at-risk model. Risk-factor scenarios are calibrated to recent market-data time series, and any implicit climate-related risks affecting market observables are taken into account.

46 See EBRD (2026a).

Risk type	Time horizons[§]	Impact	Response
Operational risk All aspects of risk-related exposure other than those falling within the scope of credit, market and liquidity risk, including risk of loss (financially or to the Bank's reputation) resulting from inadequate or failed internal processes, people and systems, or from external events	M L	Bank operations may be disrupted by physical climate events.	The Bank maintains a framework for the continuous identification, monitoring and control of its exposure to operational risks, as well as backup facilities for such eventualities.
Reputational and operational risk (material) Risks associated with the perceptions of various stakeholders (including debt and equity investors, customers and external groups) regarding the Bank's commitment to achieving its stated goals and their ability to rely on that fact	S M	The Bank's operations may be impacted by reputational risk arising, for example, from perceived non-conformity with its climate- and sustainability-related pledges.	The Bank assesses transactions that have the potential to create reputational risk, including those related to climate change. For example, transactions are reviewed for consistency with the Bank's goal of Paris alignment, climate risk management practices and environmental and social safeguard requirements. Fossil-fuel transactions, in particular, are undertaken in line with the EBRD's Energy Sector Strategy.[47]
Liquidity risk Risk associated with the ability to maintain a prudent level of liquidity	S M	Acute physical climate events or natural disasters may result in reduced cash inflows from counterparties and lower liquidity for Treasury assets (including bonds) in certain sectors. Access to wholesale funding markets may be disrupted as a result of the Bank's activities, creating a barrier to finance from institutional investors.	The Treasury portfolio is diversified, comprising mainly short-term instruments issued by highly rated financial institutions. The Bank has adopted a Paris alignment methodology for Treasury activities.

[§] S = short term, M = medium term, L = long term.

In 2025, the Bank reaffirmed the inclusion of climate-related financial risk in its Risk Appetite Statement.[48] That statement highlights the EBRD's intention to manage exposure to high-emitting industries, encourage the transition to a low-carbon economy and strengthen the climate resilience of its clients and the economies in which it invests. The Risk Appetite Statement is updated annually and is reviewed periodically by the Audit and Risk Committee.

The Bank monitors all other sustainability-related risk factors as part of its overall risk management framework, feeding into the risk assessment of individual investment projects where relevant.

In the Bank's 2025 financial materiality assessment, climate-related credit and market risk were identified as material. The key drivers and current financial effects are outlined in Table 7. For more information about anticipated financial effects, see Section 4.3 on use of scenario analysis.

Table 7. Assessment of climate-related credit and market risk

Risk type	Effect	Relevant line item in the EBRD's consolidated financial statements	Quantification of effect
Credit risk	Deterioration in a counterparty's creditworthiness or default as a result of: (i) changing demand for its products and services; (ii) emission costs; (iii) litigation/fines; or (iv) regulatory requirements for asset retirement (carbon transition risk)	Income statement: impairment provisions Balance sheet: loan investments, loan-loss provisioning if required	In 2025, 13 per cent of loan investments had elevated sensitivity to transition risk. See Section 5.3 for details of Banking portfolio asset exposure. A carbon transition scenario analysis conducted in 2025 showed increases in non-performing loan (NPL) ratios ranging from 2 to 3 percentage

47 See EBRD (2023a).

48 See EBRD (2025f).

			points under different scenarios. See Section 4.6 for details.
	Deterioration in a counterparty's creditworthiness or default as a result of losses from physical climate events or changing long-term weather patterns (physical climate risk)	Income statement: impairment provisions on Banking loan investments Balance sheet: loan investments as a specific overlay on provisions if required	In 2025, 10 per cent of loan investments had elevated sensitivity to physical climate risk. See Section 5.3 for details of Banking portfolio asset exposure.
Market risk	Negative fair valuation adjustments on the Bank's portfolio of loans and equities held at fair value through profit or loss	Income statement: impairment provisions on Banking loan investments Balance sheet: Banking share investments held at fair value Balance sheet: equity	In 2025, a market risk shock scenario based on a combination of variables resulted in a 24 per cent decrease in fair value for counterparties exposed to moderate to high climate-related financial risks and those operating in low-transition-risk industries with governance flagged as an issue.

In the EBRD's 2025 financial materiality assessment, climate- and sustainability-related reputational risk was assessed and identified as material based on qualitative factors. The key drivers and anticipated financial effects of reputational risk are outlined in the following qualitative disclosure.

Reputational risk

Climate- and sustainability-related issues are becoming increasingly prominent in the global financial landscape, driven by growing public awareness, regulatory pressures and the expectations of stakeholders such as clients, investors, employees and civil society. As an international organisation operating in developing markets, with a commitment to sustainable development enshrined in its founding documents and publicised policy objectives, the EBRD is subject to significant public scrutiny. It is, therefore, exposed to an elevated level of potential adverse reputational impact when it comes to its climate- and sustainability-related activities. The Bank's mission means an additional level of expectation from stakeholders that its activities should make a positive contribution to global action on climate matters. Reputational risks to the Bank could arise if its actions, or perceived inaction, on climate and sustainability matters were misaligned with stakeholder expectations or resulted in negative environmental or social outcomes.

For a summary of key sources of climate- and sustainability-related reputational risk, as well as details of how our risk management strategy builds resilience, see Table 8.

Table 8. Key sources of climate- and sustainability-related reputational risk in 2025

Risk source	Risk description	Key risk drivers	Management of risk
Financing high-carbon industries	The Bank may be subject to reputational scrutiny if it is perceived to be supporting high emitters, even if proceeds are aligned with transition goals.	Financing high emitters in hard-to-abate sectors Funding low-emission business lines within high-emitting clients Financing fossil fuel-related projects or counterparties with significant fossil-fuel dependencies	All projects are reviewed for consistency with the Bank's goal of Paris alignment and environmental and social safeguard requirements. The Bank monitors and reports on its fossil-fuel exposure to ensure transparency and provide stakeholders with assurance that the Bank actively manages potential reputational impacts. See Section 5.3, Investment portfolio metrics – Banking investment assets exposed to fossil fuels.
Perceptions of greenwashing	Concerns by key stakeholders that "green" products or claims lack material environmental impact can erode trust and harm credibility.	Products labelled green/ESG without material impact or ongoing verification of claims Token carbon reductions or weak nature-positive outcomes Failure to meet advertised sustainability standards	All projects are reviewed for consistency with the Bank's goal of Paris alignment and environmental and social safeguard requirements. Under its Access to Information Policy, the Bank proactively discloses project-related information to uphold transparency, accountability and good governance. In practice, this includes publishing project summary documents to provide external stakeholders with clear visibility.

Risk source	Risk description	Key risk drivers	Management of risk
Misalignment with regulatory and market trends	Stakeholders expect climate- and sustainability-related disclosures even though the Bank is not regulated; non-disclosure could be seen as poor governance.	Rising expectations regarding sustainability-related disclosures Perceptions that the Bank is unprepared or untransparent	The Bank manages expectations around its sustainability-related disclosures by voluntarily aligning its public reporting with IFRS Sustainability Disclosure Standards and GRI standards. The Bank also obtains independent external assurance of its *ISSB Report* to enhance the credibility, transparency and reliability of the information disclosed.
Stakeholder activism and media scrutiny	Non-governmental organisations, shareholders, employees and the media may challenge the Bank's climate, environmental and social, or worker safety practices, potentially escalating into public campaigns.	Scrutiny of biodiversity, community and worker safety impacts Potential for protests, lawsuits and viral content Rapid escalation through negative media coverage	The Bank engages early with stakeholders, providing transparent information on project-level climate and environmental and social assessments, and maintaining formal channels for concerns or grievances.
Local community impact risks	Investments affecting land, livelihoods, health and safety, or cultural heritage may trigger public concern and reputational pressure.	Land acquisition, resettlement and cultural impacts Pressure on public services from large influx of workers Heightened scrutiny in large construction, transport, power, mining, agriculture and tourism/property sectors Risk of delays, increased costs and loss of stakeholder confidence	For information on EBRD management's approach to local communities in relation to Bank investments, see the Bank's *GRI Report 2025* – GRI 413: Local Communities.[49]
Fraud and corruption risk	Allegations or incidents involving fraud, corruption or misconduct can damage perceptions of integrity and trust in the Bank's governance.	Complex/opaque ownership structures, politically exposed persons and weak controls Issues raised via whistleblowing or the media Occurrence of prohibited practices (coercion, fraud, anti-money laundering/countering the financing of terrorism failures, misuse of assets) Heightened risk where procurement or government interaction is extensive	For information on EBRD management's approach to anti-corruption, business ethics and conduct, see the Bank's *GRI Report 2025* – GRI 205: Anti-corruption.[50]

Reputational damage related to the Bank's activities on sustainability and climate issues is unlikely to result in an immediate adverse financial outcome for the Bank. However, the long-term impacts of negative perceptions of the Bank could affect its financial prospects or cash flows in a number of ways (see Table 9).

49 See EBRD (2026d).

50 Ibid.

Table 9. Anticipated effects of reputational risk

Effect	Relevant line items in the EBRD's consolidated financial statements
Reduction in shareholder support, which could negatively influence the Bank's credit rating, leading to an increase in borrowing costs or reduced appetite for participation in future capital increases	Income statement: interest expense and similar charges Balance sheet: debts evidenced by certificates Balance sheet: paid-in capital
Reduction in demand for the Bank's issuance of themed bonds (see Section 3.2) and other issuance	Income statement: interest expense and similar charges Balance sheet: debts evidenced by certificates
Reduction in donors' financial support for the Bank's projects	Income statement: impairment provisions on Banking loan investments Income statement: donor-related income Balance sheet: provisions for impairment
Reduction in appetite among other financial institutions or clients to partner with the EBRD on Bank-led projects, reducing their financial viability	Income statement: interest income from Banking loans Balance sheet: loan investments
Reduction in the general level of trust due to reputational risk, significantly impacting the calibre of recruited professionals and levels of staff morale, leading to a decrease in operational efficiency and productivity	Income statement: general administrative expenses

Reflecting its role as a publicly funded institution operating under significant public scrutiny, the Bank has a low appetite for operational risk-related financial losses and reputational damage and seeks to minimise circumstances that could substantially weaken stakeholder confidence and undermine its mission.

Adverse reputational impact is considered a standalone operational risk type within the Bank's Operational Risk Management Framework, while remaining closely intertwined with other types of operational risk. Significant losses relating to operational risk and reputational damage are managed through the Bank's established internal practices and controls, supported by key risk indicators and oversight arrangements set out in the Bank's Risk Appetite Statement.[51]

The Bank is committed to providing information on the impacts and outcomes of its work, enabling confidence among shareholders, donors, civil society organisations and investors that the Bank's activities are delivering environmental and sustainability benefits. The Bank has engaged in sustainability reporting since 2005 and voluntarily reports in accordance with IFRS Sustainability Disclosure Standards. Since 2025, it has also published the *Investor Report on Sustainability,* which incorporates key sections of the Bank's previous *Sustainability Report*.[52] For further information on the Bank's sustainability reporting, see https://www.ebrd.com/sustainability-reporting.html.

4.2. Identification, assessment and prioritisation of climate-related risks

Details of the Bank's process for identifying, assessing and prioritising climate-related risks are embedded in its internal climate risk procedures. These cover all types of Banking activity and are reviewed periodically. At a counterparty level, the Bank identifies, assesses and prioritises climate-related financial risks through due diligence and structuring, as outlined below. Counterparties are entities to which the Bank has ultimate recourse, which may not always be the immediate borrower. At portfolio level, the Bank's Risk Management team conducts scenario analysis to identify emerging risks (see Section 4.3).

Corporate and sub-sovereign projects

Identification of transition risk

The Bank assesses the potential financial effects of emission costs on its counterparties. It has developed an in-house screening tool to identify counterparty exposure to transition risk. The tool produces a screening score based on a combination of: (i) a counterparty industry-specific assessment, partly based on classifications by Moody's Ratings and

51 See EBRD (2025f).

52 See EBRD (2025c).

adjusted by the Bank's specialists; (ii) an internal assessment of the transition preparedness of the counterparty's key country of risk and the impact of climate risk policy and regulatory changes; and (iii) specific modifiers.[53]

Identification of physical climate risk

The Bank has developed an in-house screening tool to identify counterparties exposed to physical climate risk. The tool results in a screening score based on a combination of: (i) the counterparty industry sector's sensitivity to the physical climate hazards most relevant to the economies where the EBRD operates; (ii) the likelihood of those hazards occurring based on an analysis of counterparty core location coordinates; (iii) a tenor adjustment; and (iv) a verification step.[54] The physical hazards include temperature-, wind-, water- and solid mass-related events, such as flooding and wildfires. The likelihood of physical hazards occurring is based on a range of data sources, chosen following a detailed review of publicly available physical climate risk data.

In 2026, the Bank is updating its physical climate risk screening approach by adopting an external screening tool that will enable the quantification of financial risks where relevant and focus on selected key hazards.

Assessment and prioritisation

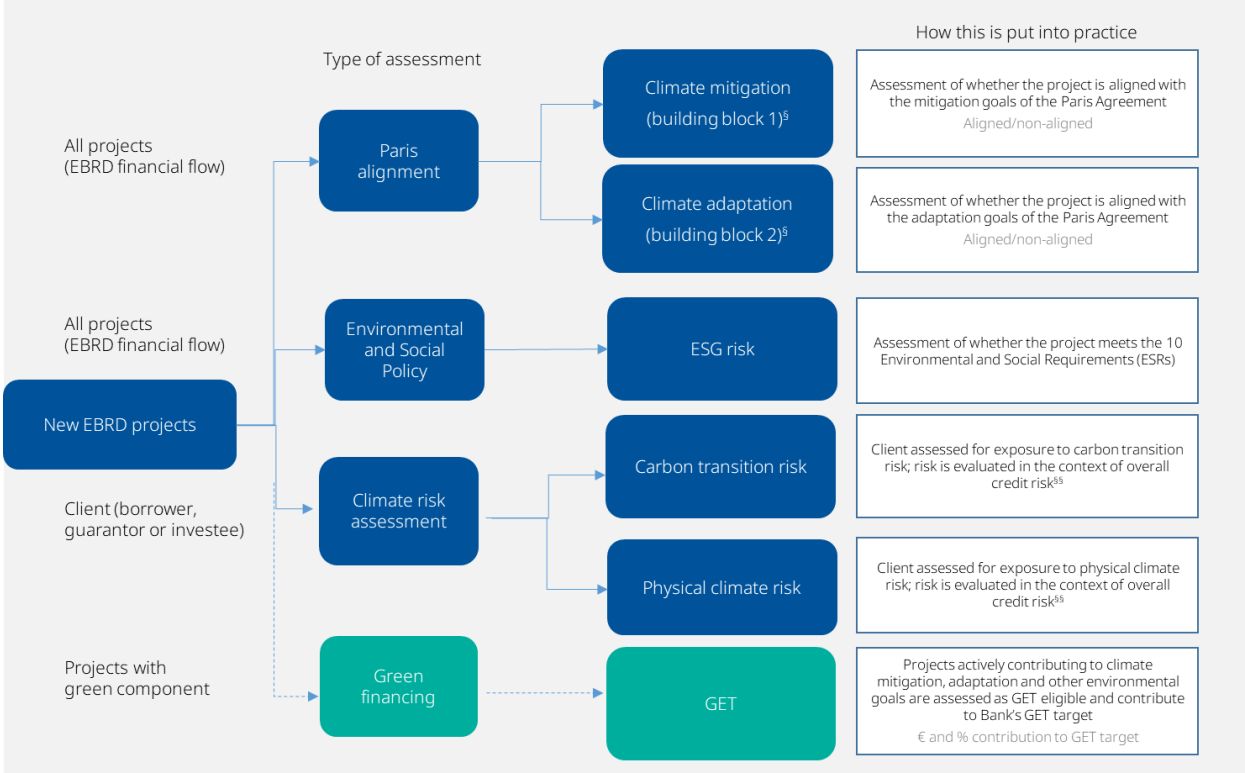
For both transition and physical climate risks, the screening approach generates a score for each counterparty. These scores – ranging from 1 (low) to 5 (very high) – are used to identify those counterparties that need to be prioritised for further due diligence at the appraisal stage. Climate-related risks are assessed alongside other key risks. The due diligence focuses on the financial impact of identified climate-related risks on the counterparties' credit quality or expected equity valuation. These screening scores may be adjusted after assessment to better reflect the risk associated with the exposure. Where, for example, physical hazards identified during screening have been mitigated by the counterparty in the meantime, a revision of scores will be warranted if a further review is carried out. Transition risk screening is largely industry based. However, subsector activities or specific operations may justify a lower score (for instance, if a counterparty is classified as being in the metals and mining industry, but its actual activity is recycling).

As part of the appraisal stage, the first line of defence proposes measures to mitigate climate risk when projects are submitted prior to approval. These are then subject to review and challenge by Risk Management and ESD. The climate risk assessment is complemented by other climate-related assessments of individual projects, as illustrated in Figure 3.

53 Industry-sector risk classifications are derived from those classified by Moody's Ratings (see Moody's Investors Service, 2020 and 2021) as having very high, high or moderate risk of carbon regulation. Country transition assessment scores are based on proprietary methodology.

54 At this stage, counterparties with numerous operational locations are typically deemed to be diversified in relation to the financial impacts of physical climate risk. The Bank's screening of clients for physical climate risk is similar to the process it uses to assess a project's alignment with the climate resilience goals of the Paris Agreement. The Bank plans to continue reviewing this approach as it evolves.

Figure 3. Climate-related assessments for EBRD investment projects



§ The joint MDB approach to alignment with the objectives of the Paris Agreement was presented at the COP24 climate conference in 2018. The approach has six "building blocks" (BBs) for Paris alignment: (BB1) alignment with mitigation goals; (BB2) adaptation and climate-resilient operations; (BB3) accelerated contribution to the transition through climate finance (in the EBRD's case, GET finance); (BB4) strategy, engagement and policy development; (BB5) reporting; and (BB6) alignment of internal activities (for example, administration, procurement and treasury). Therefore, Paris alignment has a project-screening element (BB1 and BB2), a climate finance and policy element (BB3 and BB4) and a corporate element (BB5 and BB6).

§§ No impact on internal credit rating at this stage.

The procedures are subject to further refinement and adjustment. They will evolve based on operational use and best practice for the assessment of climate-related financial risks. Currently, they focus on prioritising the assessment of clients with a high likelihood of significant transition or physical risk. The Bank continues to explore the emerging availability of tools that integrate climate hazard screening and the financial quantification of identified risks.

Financial institution projects

PFIs are screened for transition and physical climate risks based on: (i) country of operation; (ii) sector concentrations within their gross loan portfolios; and (iii) internal climate risk management practices. This process informs the prioritisation of engagement with PFI clients on climate-related financial risk management at an institutional level, focusing on those deemed to have the highest potential climate-related financial risk. The Bank screens and assesses both the transition and physical climate risks of PFIs on a biennial basis. This assessment is based on a climate risk questionnaire aimed at better understanding partner institutions' internal climate risk management, as well as their exposure to climate risk through their loan portfolios. This transition and physical climate risk screening process also considers each PFI's primary country of operation. The institutional-level assessment also allows the EBRD to monitor and manage PFI clients' financial exposure to climate risks over time.

Sovereign-guaranteed projects

The EBRD screens sovereign and sovereign-guaranteed loans for climate-related financial risk. Sovereign entities are considered to have lower risk due to their diversified revenue streams, legal right to raise revenue and capacity to reduce expenditure. The potential climate-related financial risk of sovereign entities is managed through a periodic review and assessment of countries considered to have higher exposure to transition or physical climate risks. The outcomes of this assessment may be included in sovereign risk considerations, as well as stress tests.

4.3. Use of scenario analysis

Overview and scope

The EBRD has conducted regular climate stress tests since 2020 to assess transition risk and potential losses. These continue to evolve in scope and analytical depth. The climate scenario analysis covers Banking-book loan and equity exposures to corporate and sub-sovereign clients. The Bank uses a quantitative modelling approach that combines a bottom-up counterparty assessment with a top-down approach where data availability is limited, applying transition risk and the sector-specific business trends reflected in scenario pathways. This modelled approach evaluates changes in counterparties' probability of default to estimate non-performing loans and provisions, in line with the Bank's overall stress-testing framework.

In 2025, the Bank made further progress on integrating climate risk into the EBRD's annual Bank-wide stress test. A climate-loss overlay was developed using targeted assessments of drought- and wildfire-related impacts in SEMED and Türkiye, combining bottom-up evaluations of stressed earnings with a geospatial analysis of selected assets. This represents an important first step towards embedding climate-related risks in the Bank's wider resilience framework and will be refined as data availability and methodologies improve.

Climate scenarios

The Bank uses the following transition scenarios in its climate stress testing:

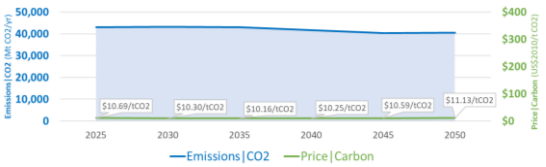
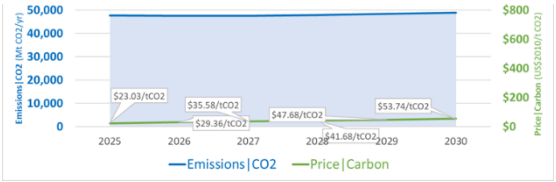
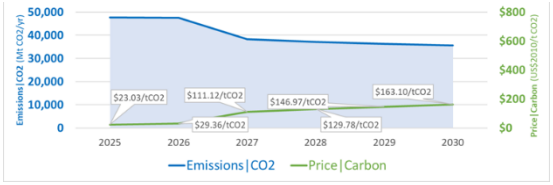
- A long-term "delayed transition" scenario (2025 to 2050): The most pronounced impacts arise in the oil and gas and energy industries, and other high-emitting sectors (such as metal manufacturing and cement) experiencing deteriorations in creditworthiness.
- A short-term "sudden wake-up call" scenario (2025 to 2030): A delayed but abrupt policy tightening from 2027, marked by steep carbon price increases without full reinvestment in green technologies. Emissions fall rapidly by 2030, but the adjustment carries higher short-term economic costs.

The EBRD uses both long- and short-term scenarios for transition risk stress testing. The analysis is based on the latest NGFS phase 5 long-term scenarios,[55] applying the "current policy" scenario (3.0°C by 2100) as the base case and the "delayed transition" scenario (1.7°C by 2100) as the stress case. This year, the Bank has, for the first time, applied the NGFS short-term scenario published in 2025 for the short-term scenario horizon,[56] using the "sudden wake-up call" pathway to reflect an accelerated shift in policy and an associated shock to market conditions. Climate scenario analysis is informed by each scenario's shadow carbon price, the decarbonisation pathway, and macroeconomic and sector-specific growth trends.

The application of the "delayed transition" and "sudden wake-up call" scenarios is an enhancement relative to the *ISSB Report 2024*. The Bank has now incorporated sector-level growth pathways to reflect differentiated transition dynamics across high-emitting industries, whereas last year's analysis assumed that all sectors other than oil and gas grew in line with gross domestic product (GDP). While the NGFS short-term scenario uses lower shadow carbon prices than the in-house short-term scenario used in 2024, it introduces a more coherent and scenario-consistent set of macroeconomic shocks that might be associated with a rapid policy adjustment.

55 See NGFS (2024).
56 See NGFS (2025).

Figure 4. Climate scenario time horizons

Horizon	Scenario	Description	World carbon costs and decarbonisation pathways[57]
Long term 2025-50 with five-year time-step increments	**Base case** Current policy: 3.0°C by 2100	The "current policy" scenario reflects a pathway in which only policies already in place are implemented. It provides the base case for the transition risk stress test and represents a continuation of existing policy settings without additional climate measures.	
	Transition risk stress case Delayed transition: 1.7°C by 2100	The "delayed transition" scenario assumes that annual emissions do not begin to decline until 2030, with more stringent climate policies required thereafter to limit warming to below 2°C. It represents a more disruptive adjustment pathway and serves as the stress case for the transition risk assessment.	
Short term 2025-30 with one-year time-step increments	**Base case** *2023 IMF World Economic Outlook*	The short-term scenario base case is calibrated to official macroeconomic projections and assumes that technological progress and sectoral activity evolve in line with recent trends.	
	Sudden wake-up call	The "sudden wake-up call" scenario involves an abrupt tightening of climate policy in 2027 after a period of limited action, triggering a rapid and disorderly adjustment in high-carbon sectors, leading to market stress and elevated short-term transition risk.	

The climate scenarios used by the EBRD draw on environmental, policy and macroeconomic trends from NGFS pathways. For its long-term scenario analysis, the Bank makes direct use of published NGFS trajectories – such as regional shadow carbon prices, sectoral decarbonisation pathways, GDP projections and energy demand – within its stress-testing model. The NGFS has modelled short-term scenarios differently from the long-term ones, exposing different geographical and sectoral granularity. The overall aim of the climate stress test is to assess comprehensively the transition risk of corporate and sub-sovereign exposures in the Banking book.

Stress test results

Analysis of the year-end 2025 climate stress test points to a 3 percentage point increase in the NPL ratio of the corporate and sub-sovereign Banking book under the long-term "delayed transition" scenario and a 2 percentage point increase under the short-term "sudden wake-up call" scenario. While long-term losses are more pronounced this year, the short-term impacts generated by the new NGFS scenario are milder than those produced by the more stringent in-house pathways applied previously (largely due to the higher carbon price).

The more pronounced long-term scenario impact in 2025 reflects the application of sector-specific business growth pathways for high-emitting industries (oil and gas, non-renewable electric utilities, metals and cement). These pathways result in deeper long-term revenue declines for such hard-to-abate sectors, leading to bigger credit-rating downgrades and a greater number of defaults in the long-term scenario compared with 2024.

57 The graphics included here only present global carbon prices and decarbonisation levels; regional prices and sectoral decarbonisation levels are used in climate stress tests.

Losses in the short-term scenario are modest, as key high-emitting sectors, notably metals and construction materials, exhibit stronger business growth in the "sudden wake-up call" scenario, in contrast to declining production volumes under the long-term "delayed transition" scenario pathways.

As in previous years, losses are concentrated in high-transition-risk industries. Companies in oil and gas, fossil-fuel electricity generation, steel and cement sectors account for most defaults and rating downgrades. Although these sectors represent less than 10 per cent of total Banking-book assets, they account for the majority of emissions considered in the stress test and, therefore, absorb most transition-related cost increases.

Credit ratings for most counterparties remain stable under both scenarios. The majority of the portfolio is composed of clients in low- or moderate-transition-risk sectors with limited direct exposure to carbon-intensive production processes at this stage. These clients experience only modest changes in probability of default. This suggests that transition-risk impacts outside a narrow set of high-emitting sectors may remain contained in the short term. In the future, transition impacts may become more pronounced for low- and moderate-transition-risk sectors as geopolitical and security considerations potentially delay transition progress and could increase the scale of adjustment required later in the decade.

Overall, the 2025 results continue to indicate that the Bank's financial exposure to transition risk is low to moderate. While the long-term scenario points to potential vulnerabilities among high-emitting sectors, capital levels remain sufficient to absorb losses under both long- and short-term scenarios. Nevertheless, the findings highlight the importance of monitoring long-tenor exposures to carbon-intensive sectors, where policy developments and abatement costs become increasingly material as time goes by.

Although the Bank continues to strengthen its transition-risk methodology, it has not conducted physical climate risk stress testing of the portfolio. The Bank will, therefore, continue to reinforce its data foundations, scenario design and modelling approach to support a more comprehensive assessment of climate-related risks, with consideration given to conducting physical climate-risk stress testing of the portfolio in the coming years. The current climate stress-testing framework operates under several constraints that will be addressed as the methodology develops:

- The current scope focuses on corporate and sub-sovereign exposures and does not yet include sovereigns or financial institutions.
- Quantitative physical climate risk has not yet been incorporated and physical-risk scenarios need to be expanded for the Bank's countries of operation.
- Data limitations persist, including gaps in counterparty emissions, asset-level geolocations and information on transition plans and mitigation actions. Where such information is unavailable, reliance on assumptions and proxies can materially influence modelled outcomes.
- The methodology is based on static balance-sheet assumptions and a simplified modelling framework, which does not fully reflect the Bank's business plan or sector-specific dynamics.
- The use of NGFS scenario pathways can result in overly mild impacts. The scenarios do not consider the severest impact of plausible climate outcomes, including climate tipping points or large-scale involuntary population movements.

The Bank expects to enhance its climate stress-testing capabilities over time as better information, improved methodologies and external guidance become available.

4.4. Monitoring climate-related risks

At project level, ESD monitors the delivery of climate-related commitments after project signing, including those identified as mitigants of climate risk at the time of project submission. At portfolio level, Risk Management reports to senior management and the Board on the development of climate risk within the portfolio on a quarterly basis. The integration of climate-related risk monitoring into regular reviews will continue to evolve based on operational experience, industry standards and best practice, and further adjustments will be made accordingly.

4.5. Incorporating climate-related risk into internal risk ratings

The EBRD uses a scorecard-based assessment to determine credit ratings for its corporate and financial institution clients. This approach reflects the financial strength of counterparties and includes risk-dimension considerations for some of the financial impacts of climate change. For sovereign clients, the Bank relies on assessments from external rating agencies, whose analyses also consider climate-related factors. Consequently, the Bank does not layer its climate risk assessment methodology directly on top of established credit ratings, as this would duplicate climate-related effects already captured within those ratings.

The Bank's internal credit-rating scorecard incorporates absolute climate-related financial risks. It reflects the overall risk profile associated with operating in particular sectors or geographical areas. Therefore, climate-related financial pressures, including transition and physical risks in specific industries or locations, contribute to the underlying creditworthiness assessment. Because these absolute climate risks are included along with other credit-risk drivers, the Bank cannot isolate the specific contribution that climate-related risk makes to the final rating.

In late 2025, the Bank updated the corporate scorecard to add relative ESG sensitivity factors. Over time, this enhancement will enable the scorecard to capture differences in environmental and social risk exposure within a specific sub-industry and allow the assessment of a counterparty's positioning relative to its peers. For example, a manufacturer of parts specific to diesel-engine technologies may face higher relative transition risk than the wider autoparts sector. Similarly, a company that is making slower progress than its peers on electrifying its fleet may present greater relative operational vulnerability. Beyond such climate-related factors, the scorecard also enables the broader capture of environmental and social aspects.

At this early stage, and as the initial focus is on relative climate-related factors, the updated scorecard has not had a material impact on the overall risk profile of the corporate portfolio.

5. Metrics and targets[58]

The EBRD has clear and consistent metrics and targets for tracking and measuring data on the Bank's sustainability-related risks and opportunities, as well as any associated implications for the Bank's financial performance. Definitions of these metrics can be found in Section 6. The reported metrics include those related to the Bank's own carbon footprint and investment portfolio, as well as additional industry-based metrics.

The Bank also tracks and monitors climate-related targets, as described in Section 5.5.

5.1. Metric overview

Table 10. Selected metrics used by the EBRD

Section	Subsections	Pages
Metrics on the Bank's carbon footprint	• GHG emissions of own operations, including Scope 1, Scope 2 and Scope 3, categories 1-8 • Carbon price used in qualifying Paris alignment assessments • Financed emissions	40
Investment portfolio metrics	• Assets exposed to climate-related transition and physical risks • Banking investment assets exposed to fossil fuels	49
Industry-based metrics	• Green project reporting • Capital market transactions • Physical climate risk to EBRD offices	58
Targets	• Paris alignment • Green finance • Green private sector-related mobilised investment (annual mobilised investment) • Emission reductions through financing • Carbon-neutral internal operations	61

5.2. Metrics on the Bank's carbon footprint

GHG emissions from the Bank's own operations

Overview

The Bank's own operational emissions cover emissions from energy consumption, travel, the supply chain and other activities, including carbon dioxide, methane, nitrous oxide and hydrofluorocarbons (a fluorinated gas used in refrigeration), listed under the Kyoto Protocol.[59] The Bank's Scope 1 emissions are those emitted directly from owned or controlled sources. Its Scope 2 emissions relate to purchased electricity, heating and cooling. The Bank's Scope 3 emissions figures relate principally to emissions associated with purchased goods and services,[60] business travel, waste, employee commuting, and fuel- and energy-related activities. The EBRD does not report on Scope 3 downstream emissions categories 9-14, as these do not apply to its operations.

The Bank calculates and reports on the carbon footprint and GHG emissions of its own operations. These disclosures are included in the Bank's *GRI Report*,[61] which also includes the energy consumption, waste and biodiversity impacts of the Bank's activities.

58 Deloitte LLP has provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (Revised) (ISAE 3000 Revised) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), both issued by the International Auditing and Assurance Standards Board (IAASB), for this IFRS Sustainability Disclosure Standards report, including selected metrics denoted with an asterisk (*). Parts marked with an (E) are excluded from the scope of the assurance, including the capital market finance and participation metrics in Section 5.4 and the information on climate-related targets and performance in Section 5.5.

59 See UNFCCC (1997).

60 A spending-based approach is adopted for this calculation, whereby Exiobase emission factors are applied to spending data.

61 See EBRD (2026d).

In 2022, the EBRD reset its carbon footprint database, adopting a methodology aligned with the Greenhouse Gas Protocol,[62] working with an independent partner to provide a more complete assessment of its internal emissions, especially those associated with purchased goods and services.

In 2025, the EBRD used internal Bank resources to undertake the process of accounting for GHG emissions stemming from its core activities. This process involves calculating GHG emissions in accordance with the requirements of the Greenhouse Gas Protocol, which allows the calculation of emissions based on data and parameters related to the EBRD's activities, such as the fuel and energy consumption of the Bank's resident offices and upstream value-chain activities. It provides a clear and accurate view of the Bank's carbon footprint and serves as the basis for further analysis of emissions reduction opportunities.

Table 11 summarises the Bank's measurement approach, inputs and assumptions associated with the calculation of own-operations GHG emissions.

Table 11. EBRD's approach to the measurement of GHGs

Emissions scope	Greenhouse Gas Protocol category	Emissions factor data source	Activity data and calculation methodology (primary data inputs prioritised over secondary data)[63]
Scope 1	Mobile combustion	• DESNZ (2025)	• Distance travelled (e.g. km, miles) • Volume of fuel consumed (e.g. litres) • Cost of fuel (e.g. £)
	Fugitive emissions	• DESNZ (2025)	• Weight of refrigerant (e.g. kg)
	Stationary combustion	• DESNZ (2025) • EDGE app	• Volume of fuel consumed (e.g. litres)
Scope 2	Electricity (including that used for electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs))	• UNFCCC (n.d.) • Eurostat (2025)	• Amount of electricity consumed (kWh) • Cost of electricity (e.g. £) • Office area (m^2) • Distance travelled (e.g. km, miles)
	Heating and cooling	• DESNZ (2025) • EDGE app	• Energy consumed (e.g. kcal, GJ, kWh) • Volume consumed (e.g. litres) • Cost of energy (e.g. £) • Office area (m^2)
Scope 3	Category 1: Purchased goods and services	• Exiobase (3.11)	• Cost (e.g. £) • Bloomberg
	Category 2: Capital goods	• Exiobase (3.11)	• Cost (e.g. £)
	Category 3: Fuel- and energy-related activities	• DESNZ (2025)	• Amount of electricity consumed (kWh) • Volume of fuel consumed (e.g. litres) • Weight of fuel consumed (kg) • Cost of energy (e.g. £) • Distance travelled (e.g. km, miles)
	Category 4: Upstream transport and distribution	• Exiobase (3.11)	• Cost (e.g. £)
	Category 5: Waste generated in operations	• DESNZ (2025)	• Waste weight (e.g. kg, tonnes)
	Category 6: Business travel	• Travel agency • DESNZ (2024, 2025)	• Cost (e.g. £) • Distance travelled (e.g. km, miles)
	Category 7: Employee commuting and working from home	• DESNZ (2025) • UNFCCC (n.d.)	• Distance travelled (e.g. km, miles) • Days worked from home (no. of days)
	Category 8: Upstream leased assets	• Exiobase (3.11)	• Cost (e.g. £)

Results and insights

The EBRD strives continuously to improve its data-collection process and the quality of its data inputs. As a result, year-on-year fluctuations in reported emissions may arise from methodological refinements and improvements in data

62 See Greenhouse Gas Protocol (n.d.).

63 As defined in IFRS S2, "primary data" refers to data obtained directly from specific activities within an entity's value chain, while "secondary data" refers to data not obtained directly from activities within an entity's value chain.

completeness, rather than changes in underlying activity levels. The total emissions of the Bank's operations in 2025 amounted to 34,274 tCO_2e.[64]

In 2025, the Bank revised its GHG inventory to improve completeness and boundary accuracy. Despite extended engagement with internal teams and landlords, primary evidence remained incomplete for several locations, so proxy-based calculations were applied, in line with the Bank's methodology, to ensure full operational coverage. This resulted in higher reported Scope 1 fugitive emissions – an increase from 86 tCO_2e in 2024 to 114 tCO_2e in 2025 – reflecting expanded site coverage and methodological corrections rather than an increase in operational emissions. Scope 2 emissions also increased following improvements to metering and landlord data, with location-based emissions rising from 2,054 tCO_2e to 2,800 tCO_2e and market-based emissions from 1,003 tCO_2e to 1,775 tCO_2e. Other material categories remained broadly stable.

The following trends were observed:

Scope 1 emissions remained broadly in line with 2024. The increase in reported fugitive emissions is primarily attributable to improved estimation approaches and expanded site coverage, rather than changes in underlying operations. Compared with 2022, Scope 1 emissions were down 67 per cent, largely due to the Bank's London headquarters relocating to an office that does not rely on gas consumption.

Scope 2 location-based emissions increased,[65] primarily as a result of improved estimations for purchased electricity, heating and cooling across offices. These factors contributed to a more accurate and comprehensive representation of indirect energy emissions. However, the Bank's market-based Scope 2 emissions remained 21 per cent below 2023 levels. This reflects the Bank's continued purchase of renewable electricity in resident offices where possible, as well as a 100 per cent renewable energy tariff at its London headquarters.

Scope 3 emissions remained broadly stable compared with previous years. Within Scope 3, categories 1 (purchased goods and services), 6 (business travel) and 7 (employee commuting) represent the most material sources and showed a decrease relative to 2024 levels. Reductions in emissions from business travel and employee commuting reflect sustained behavioural changes and the continued adoption of more efficient working practices.

Table 12. EBRD GHG emissions breakdown by scope

Type	2023	2024	2025*
Scope 1 (tCO_2e)	262	281	291
Scope 2 – location based (tCO_2e)	3,526	2,054	2,800
Scope 2 – market based (tCO_2e)	2,252	1,003	1,775
Scope 3 (categories 1-14) (tCO_2e)	36,003[66]	36,367	32,208
Category 1: Purchased goods and services			19,970
Category 6: Business travel			9,569
Category 7: Employee commuting			1,960
Other categories			709
Scope 1, 2 (market based) and 3 (categories 1-14) (tCO_2e)[67]	38,517[68]	37,651	34,274[69]

64 Including Scope 2 market-based emissions.

65 While Scope 2 market-based emissions derive emission factors from contractual instruments encompassing the EBRD's choice to purchase electricity from renewable sources, Scope 2 location-based emissions rely on grid-average emission-factor data to calculate emissions based on the average emissions intensity of the grids where consumption occurs.

66 Figure revised upwards from 34,843 to 36,003 to include employee commuting emissions extrapolated to all staff.

67 Scope 3 emissions are disclosed by category, with detailed reporting limited to disaggregated categories which are the subject of external assurance. Satellite offices with immaterial emissions or data limitations are not disclosed separately, as these exclusions are not considered material to total emissions.

68 Figure revised upwards from 37,357 to 38,517 to account for the extrapolation of employee commuting emissions to all staff.

69 Emissions from EBRD satellite offices which were closed prior to end-2025 are considered non-material and have been excluded. If the EBRD's offices in sub-Saharan Africa are excluded, Scope 3 emissions totalled 33,068 tCO_2e in 2025.

GHG Scope 3, category 15 – financed emissions

In addition to reporting emissions from its own operations, the EBRD is enhancing its measurement of emissions associated with the Bank's investments, which the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) categorises as Scope 3, category 15 emissions, or "financed emissions".[70]

The EBRD measures its financed emissions in accordance with the second edition of the Global GHG Accounting and Reporting Standard: Part A – Financed Emissions, released by the Partnership for Carbon Accounting Financials (PCAF) in 2022,[71] which provides a globally recognised basis for measuring financed emissions in a consistent and transparent manner, and discloses in accordance with the relevant disclosure requirements in IFRS S2.[72] To maintain consistency and confidence in the financed emissions reported, the disclosed total for absolute gross financed emissions is the subject of limited assurance.

For the purposes of IFRS S2 disclosures, the Bank's financed emissions boundary includes funded and undrawn exposures within its Banking operations, consistent with the scope of the PCAF asset classes applied. Total operating assets amount to €43 billion, and financed emissions are calculated on the basis of €41 billion of assets after excluding "greenfield" investments, representing 100 per cent coverage of the assets within the scope of the financed emissions calculation.

Total operating assets amount to €43 billion, consisting of the following assets considered for financed emissions calculations.

Table 13. Assets included in the calculation of financed emissions (€ million)

Loan operating assets	38,117
Equity operating assets	4,886
Total operating assets for financed emission calculation	**43,003**

The activities considered for the calculation of financed emissions cover the following assets within the EBRD's Banking operations:

a. **loan operating assets**, including corporate debt, project finance debt, sovereign-guaranteed debt and greenfield investments[73]
b. **equity operating assets**, including both listed and unlisted equity and greenfield investments.

Results

The Bank's absolute gross Scope 1 and Scope 2 financed emissions for 2025 are estimated to total 14 $MtCO_2e$. This covers 100 per cent of the activities considered for the calculation of financed emissions as shown in the table above. The assessment includes Scope 1 and Scope 2 emissions from the clients and projects evaluated, with approximately 11.8 $MtCO_2e$ attributed to Scope 1 and 2.5 $MtCO_2e$ attributed to Scope 2. Where data are available, the analysis also incorporates Scope 3 emissions associated with financed projects, distinguishing clearly between upstream (23 $MtCO_2e$) and downstream (12 $MtCO_2e$) categories to reflect the full value-chain impact.[74]

70 See Greenhouse Gas Protocol (n.d.).

71 See PCAF (2022).

72 We have used the second edition of this standard for our calculations. We will review the third edition, which was released in December 2025 (see PCAF, 2025), to determine which updates may be appropriate for future disclosures.

73 Greenfield projects are defined as new constructions with no pre-existing activity; projects supporting the continuation of existing activities are excluded from this classification.

74 Reported financed emissions primarily reflect upstream supply-chain emissions. Downstream Scope 3 emissions have been excluded where data are unavailable, and their omission may result in an understatement of total financed emissions.

A sector-level breakdown of absolute gross financed emissions is disclosed below:

Table 14. Sectoral breakdown of financed emissions as at 31 December 2025

Sector	Absolute gross financed emissions ($MtCO_2e$)*			Data quality		Operating asset coverage	
	Scope 1 + Scope 2	Scope 3 (upstream)	Financed emissions ($MtCO_2e$) Scope 3 (downstream)	PCAF data quality score (Scope 1 + Scope 2)	PCAF data quality score (Scope 3 – upstream)	Total sector lending (€ billion)	Coverage
Oil and gas	5	1.2	0.1	3.4	3.3	2.6	100%
Power and energy	1.5	5	0.7	3.3	3.3	7.2	100%
Auto manufacturing	0.04	1	2.7	1.3	1.3	1	100%
Metals and mining	1.1	0.6	2	3.1	2.8	1.2	100%
Chemicals and fertiliser	0.1	0.2	0.2	2.7	2.7	0.6	100%
Agriculture	1.2	2.6	0.1	3.6	3.5	2.5	100%
Transport	0.8	3.2	0.1	3.9	4.0	7	100%
Manufacturing	0.2	0.6	0.8	3.6	3.5	1.3	100%
Other sectors	4	7	5	3.9	3.7	8.7	100%
Financial institutions	0.2	0.7	-	4.1	4.1	11.3	100%
Total	**14**	**23**	**12**	**3.3**	**3.2**	**41**	**100%**

Attribution

Absolute gross financed emissions are calculated by attributing a proportion of a project or client's total greenhouse gas emissions to the Bank, based on the value of the Bank's outstanding exposure relative to the total value of the client or project on the balance sheet date and internal systems. The attribution factor ensures that only the share of emissions that corresponds to the Bank's financing is reported.

The financial data used for the attribution denominator are sourced internally where possible, with sources including balance sheet information, loan systems and project finance documentation.

The general financed emissions calculation is expressed as follows:

$$Financed\ emissions\ = \sum \frac{Bank's\ outstanding\ exposure}{Total\ debt\ +\ equity\ of\ the\ client\ or\ project\ value} \times\ total\ client\ or\ project\ emissions$$

Where:

- total client or project emissions represent absolute Scope 1, Scope 2 and, where relevant, Scope 3 emissions for the reporting period
- the Bank's outstanding exposure reflects the carrying value of loans, equity investments or other financing instruments on the balance sheet date; and total operating assets are calculated as the total disbursed amount minus repayments of principal, including any write-offs
- client or project value represents the appropriate attribution denominator, which varies by asset class. Total debt and equity information is collected from the client's financial statements.

The Bank reports its absolute gross financed emissions across 10 industry segments. To ensure consistency, client activities are aligned with the standard EU nomenclature for productive activities (NACE codes) by mapping Global Industry Classification Standard (GICS) economic sector codes. NACE code mapping is used to apply the appropriate spending-based emission factors for estimating revenue-based emissions. For reporting, these detailed sector codes are consolidated into broader categories to capture the full range of activities within high-emitting sectors. The category "other sectors" includes activities such as selected municipal functions, telecommunications and data-processing services, ensuring that all relevant financed activities are represented, even if they fall outside the primary sector groupings.

Undrawn commitments are disclosed in line with ISSB requirements to provide transparency on potential future financed emissions. As these commitments are not yet drawn, no emissions are attributed to them. However, based on a high-level review, these undrawn exposures are expected to add approximately 3 $MtCO_2e$ once operational (includes

only Scope 1 and Scope 2). The undrawn amount represents around €11,079 million of the current operating-asset exposure, indicating the potential scale of future emissions once these commitments are converted into active assets.

PCAF data quality scores

The Bank applies the PCAF data quality scoring framework to assess the robustness of its financed emissions measurements. Scores range from 1 (highest data quality) to 5 (lowest data quality). In line with PCAF guidance, where direct emissions data are not available, in-house intensity emission factors have been developed based on the current portfolio's average emissions intensity. These in-house intensity emission factors, which rely on the lowest-quality data category under the PCAF data scoring framework (data quality score 5), represent 31 per cent of the financed emissions portfolio. These emission factors are applied across both the "business loans and unlisted equity" and the "project finance" asset classes, with 26 per cent representing the "project finance" approach and 6 per cent representing the "business loans and unlisted equity" approach, ensuring that all relevant activities are included in the emissions inventory. Over time, the Bank would expect the PCAF data quality score to improve as better data become available.

The assessment methodology selected and the associated quality scores are driven by data availability. Financed emissions are calculated using a structured data quality hierarchy that prioritises the most reliable and decision-useful emissions data available.

Table 15. Overview of PCAF data quality scores

PCAF data quality score	Options for estimating financed emissions under PCAF	Asset classes	Data source/approach applied	Description and application
Score 1	Verified reported emissions	Business loans and unlisted equity	Company-reported, verified emissions data	Counterparty-reported emissions that are independently verified, sourced from public disclosures such as annual reports, sustainability or impact reports, or CDP submissions
Score 2	Unverified reported emissions	Business loans and unlisted equity	Company-reported, unverified emissions data	Emissions disclosed by counterparties without external assurance, sourced from public sustainability disclosures or equivalent reporting
Score 3	Project-specific estimates	Project finance	Project-level emissions estimates	Emissions estimated at project level, primarily for project finance exposures, based on projected or baseline emissions derived from client documentation, technical studies, internal appraisal tools and project reports.
Score 4	Economic activity-based estimates	Business loans and unlisted equity	Revenue-based approach	Emissions estimated using sector- and region-specific emission factors derived from environmentally extended input-output datasets (e.g. Exiobase), applied consistently using internal classifications and NACE code mapping
Score 5	Asset-based emission factors	Business loans and unlisted equity and project finance – residual assets for which data are unavailable	Residual asset-based in-house emission factor estimates	In-house emission factor approach applied only as a last resort for residual exposures where no suitable reported, modelled, project-specific or economic activity-based data are available, recognising the higher degree of estimation uncertainty

Financed emissions per asset class

The Bank measures and reports absolute gross financed emissions under the "business loans and unlisted equity" and "project finance" asset classes. Absolute gross financed emissions are calculated by attributing a proportion of a project or client's total greenhouse gas emissions to the Bank, based on the value of the Bank's outstanding exposure relative to the total value of the client or project on the balance sheet date and internal systems. The attribution factor ensures that only the share of emissions that corresponds to the Bank's financing is reported.

The financial data used for the attribution denominator are sourced internally where possible, with sources including balance sheet information, loan systems and project finance documentation. The approach used to calculate financed

emissions is determined by the nature of the financing and the availability of emissions data, rather than being dictated by the financial instrument alone.

Table 16. Breakdown of absolute gross financed emissions by asset class

	Outstanding amount (€ million)	Coverage	Scope 1 + Scope 2 emissions ($MtCO_2e$)	Scope 3 emissions ($MtCO_2e$)
Total active portfolio	43,003	100%	14	34.7
"Business loan and unlisted equity" approach	27,125	63%	8.6	23
"Project finance" approach	14,069	33%	5.7	11.7
Greenfield	1,809	4%	n.a.	n.a.

"Business loans and unlisted equity" approach

Under PCAF, business loans and unlisted equity comprise loans, lines of credit and equity investments provided to private counterparties for general corporate purposes, where the use of proceeds is not linked to a single, identifiable project or asset. Emissions are attributed at the company level, reflecting the Bank's proportional share of the client's total greenhouse gas emissions, based on the outstanding exposure relative to the company's relevant financial metric.

The PCAF "business loan and unlisted equity" approach was used for 66 per cent of operating assets (€27 billion) in the assessed portfolio (accounting for 60 per cent of estimated Scope 1 and Scope 2 emissions. Here, the Bank sources emissions data from the client's public disclosures and adopts a revenue-based approach. The majority of financed emissions within this asset class are estimated using revenue-based approaches (PCAF Score 4), representing approximately 68 per cent of operating assets.

Where financing is provided at the corporate level and company-level emissions data are available, but no project-specific data exist, the business loan approach is applied, attributing emissions in accordance with PCAF as follows:

For business loans and equity investments to private companies:

$$Financed\ emissions\ = \sum_{c} \frac{Outstanding\ amount_c}{Total\ equity\ +\ debt_c} \times\ Company\ emissions_c$$

For business loans to listed companies:

$$Financed\ emissions\ = \sum_{c} \frac{Outstanding\ amount_c}{Enterprise\ value\ including\ cash_c} \times\ Company\ emissions_c$$

Where the financial data used to calculate the attribution factor are missing or not accessible, financial data gaps are filled using alternative financial indicators, as described below:

- Equity investments: In the absence of fair value of equity (numerator), operating assets are used.
- Debt investments: In the absence of enterprise value including cash (EVIC) (denominator), equity + debt is used.

In the absence of company-level emissions data, data gaps are addressed using a consistent hierarchy of estimation approaches, prioritising activity-based methods where feasible and applying financial-based estimation only where necessary. For definitions of data quality scores for this asset class, see PCAF (2022).

For assets where emissions could not be directly calculated due to data gaps, quality score 5 sector-level emission factors were applied. These calculations were performed based on all available and calculable emissions data assessed up to quality score 4, with portfolio-level in-house emission factors being derived using observed emissions intensities from comparable operating assets. These in-house emission factors were then applied to operating assets for which asset-level emissions could not be calculated. This approach was applied to approximately 6 per cent of operating assets (€2.6 billion) and accounts for 6per cent of total reported Scope 1 and Scope 2 emissions, ensuring comprehensive portfolio coverage while maintaining a conservative and internally consistent estimation approach.[75]

"Project finance" approach

Under PCAF, project finance refers to financing provided for a specific, identifiable project. Financed emissions are therefore calculated at the project level, using observed or estimated emissions associated with the underlying physical activity or asset financed. This methodology is applied regardless of whether the project relates to energy, infrastructure, transport or building-related investments.

The PCAF "project finance" approach was used for 34 per cent of operating assets (€14 billion) in the assessed portfolio, accounting for 40 per cent of estimated financed emissions. When applying the PCAF "project finance" approach, the Bank uses a mix of methods, including actual reported emissions, life cycle analysis factors for the renewable energy portfolio, and projected annual average emissions for individual projects. The majority of financed emissions for this asset class (approximately 77 per cent) are estimated using in-house emission factors (PCAF Score 5), with LCA-based, projected and baseline emissions approaches (PCAF Score 3) covering approximately 18 per cent of operating assets. Each project's absolute emissions attribution factor is the ratio of operating assets (outstanding amount) to total project value (total equity and debt).

The quality score 5 approach was applied to approximately 26 per cent of operating assets covered (€10.9 billion) and accounts for 23 per cent of total reported Scope 1 and Scope 2 emissions.

$$Financed\ emissions\ = \sum_{p} \frac{Outstanding\ amount_p}{Total\ equity\ +\ debt_p} \times\ Project\ emissions_p$$

(where p = project)

Where the financial data used to calculate the attribution factor are missing or not accessible, financial data gaps are filled using alternative financial indicators. For example, for debt investments, total project value (TPV) is used instead of equity plus debt. TPV is defined as the estimated total financing for an investment project, including both EBRD and non-EBRD finance sources. For the purposes of financed emissions calculations, TPV is measured as at the reporting date and may therefore reflect changes to the financing plan which occurred subsequently to signing, including reductions or cancellations of co-finance, additional mobilisation, cancellation of EBRD tranches, or revisions to external financing arrangements based on new information available to the Bank.

The calculation of project emissions forms part of the Bank's assessment and is conducted in line with PCAF guidance. Calculating project emissions is part of the comprehensive assessment the Bank undertakes for selected projects: in-house engineers and external consultants estimate total emissions based on activity data (for example, the amount of fuel required) in a typical year of operation. These projections are derived from project documentation, technical studies and appraisal materials and are consistent with PCAF's modelled emissions approaches where measured emissions data are not yet available. In the context of the current GHG reporting landscape in regions where the Bank operates, such estimates offer a more accurate and reliable way of assessing the absolute emissions of projects financed by the EBRD than sector averages or revenue-based emissions intensity factors.

For assets where project emissions are used, the Bank applies a defined cut-off year to ensure consistent and transparent estimation. Projects approved before 2022 use projected emissions, which are based on expected emissions once the project is fully implemented. For projects after this cut-off year, baseline emissions are used where available, while greenfield projects are excluded from projected-emissions estimates. Emissions for renewable energy projects

75 "Internally consistent" reflects the alignment of the emission estimation approach with internal portfolio sector classifications, whereby emission factors are applied consistently based on the Bank's internal tracking of sectors.

signed before 2022 are calculated using a life-cycle assessment (LCA) approach. As such, the Bank applies projected emissions estimates only where actual operational emissions data are not yet available and such estimates provide a more decision-useful representation of expected emissions over the life of the financed activity, in line with PCAF guidance. For data quality score definitions for this asset class, see PCAF (2022). Only 4 per cent of the portfolio is classified as greenfield, defined strictly as new construction projects with no pre-existing activity (for example, new renewable energy developments).[76] Projects that combine new-build elements with investments supporting the continuation of existing operations are not treated as greenfield.

Estimation and its limitations

The assessment of financed emissions depends on the availability of granular data, consistent methodologies and appropriate measurement tools. These elements continue to evolve, and the Bank reports using the best information currently available while refining its approach.

Under the Bank's roll-forward policy, improvements in emissions data or methodologies are applied prospectively from the reporting period in which they become available, and previously reported financed emissions are not recalculated.

Baseline and methodology: The Bank has not yet established a formal baseline recalculation policy for financed emissions due to ongoing methodological development and changes in portfolio coverage and data availability. As data quality improves, a baseline year and recalculation triggers will be defined to support comparability over time.

NACE-based mapping: Mapping emissions using NACE codes has limitations, as clients often operate across multiple activities that do not align neatly with a single classification. Aggregation into broader categories is sometimes required, reducing precision in sector attribution and limiting the ability to reflect differences in emissions profiles across business models.

Listed entities and financial data: A small number of clients are listed entities; however, gaps in EVIC data limit the Bank's ability to apply the full PCAF attribution methodology for these exposures.

PCAF data quality constraints: The PCAF standard does not assign data-quality scores for projected or ex ante emissions, requiring professional judgement to determine the appropriate classification. Quality score 3 estimates are used where projected emissions are calculated using client activity data and engineering assessments. Quality score 5 estimates enable full coverage, but introduce higher uncertainty.

Quality score 5: PCAF score 5 approaches apply a proportionality mechanism where access to financial and emissions data is limited, notably for project finance and business loan exposures, resulting in increased estimation uncertainty.

Identification of greenfield projects: Greenfield projects are identified manually, which may lead to inconsistent or incomplete classification where project information is limited or ambiguous.

Scope 3 data gaps: Where downstream Scope 3 emissions are unavailable or cannot be reliably identified, the assessment is limited to upstream emissions. This may understate life-cycle emissions in sectors where use-phase or end-of-life emissions dominate, reducing comparability across clients and sectors.

5.3. Investment portfolio metrics

The Bank screens the transition and physical climate risk of its Banking counterparties using internal climate risk screening methodologies that have evolved over time based on operational experience and market practices. The current methodologies are detailed in Section 4. Counterparties are screened in a phased approach based on counterparty and instrument type, using methodologies in place at the time. Because of the evolution of climate risk reporting requirements and the manual nature of data collection, updated methodologies are applied prospectively, and prior assessments are not routinely revised. Exposures to counterparties with high or very high carbon transition and physical climate risk scores are presented in Tables 17 and 18.

76 Identification of greenfield projects relies on project documentation and manual reviews.

In 2024, the Bank began to disclose asset values in line with its *Financial Report*, reflecting loans at amortised cost and equity at fair value.

As shown in Tables 17 and 18, the reported values of banking investment assets exposed to high or very high transition and physical risks for the year ended 31 December 2024 have been restated. In 2025, the Bank updated its counterparty industry classification from GICS to Party Industry Classification (PIC) to refine its ability to identify the industries and sectors of the parties with which it engages. These restatements also reflect the correction of immaterial misstatements due to errors related to the manual transposition of data, as well as improvements in the quality and completeness of counterparty data. As a result of these updates, the 2024 asset values have been restated.

Table 17 shows that 11 per cent of total Banking investment assets were deemed to be exposed to high transition risk as at December 2025. This is unchanged from the previous year (11 per cent) and reflects the stabilisation of both the screening approach and the counterparties in scope. Following the introduction of the climate risk management processes outlined in Section 4.2, counterparties exposed to transition risk are subject to further assessment during the project appraisal stage. This assessment may involve financial sensitivities being applied to the financial model, as well as the monitoring of progress against transition plans, emission reduction targets or other relevant targets during the investment period, as applicable.

As at December 2025, an insignificant portion of Banking investment assets (5 per cent) were not assigned a transition risk score (7 per cent in 2024). These relate to projects involving non-bank financial institutions (NBFIs) and equity investment funds that were signed before the Bank introduced its climate risk-screening methodologies.

Table 17. Banking investment assets exposed to climate-related transition risk (€ million)[77]

	2025						2024 restated			2024 as reported		
Counterparty industry	Loans	Undrawn loan commitments and guarantees	Equity at fair value	Total	Exposed to high or very high transition risk (%)*		Total	Exposed to high or very high transition risk (%)		Total	Exposed to high or very high transition risk (%)	
Utilities (excl. renewables)	2,096	638	235	2,970	1,487	(50%)	2,675	1,008	(38%)	2,582	925	(36%)
Airport services, air freight and airlines	704	108	156	968	763	(79%)	1,081	718	(66%)	1,081	718	(66%)
Highways and railroads	825	228	15	1,069	757	(71%)	1,491	1,233	(83%)	1,285	1,026	(80%)
Metals and mining	791	121	82	993	681	(69%)	1,314	835	(64%)	1,314	835	(64%)
Oil and gas	335	76	58	469	469	(100%)	571	571	(100%)	651	571	(88%)
Automotive (incl. parts and equipment)	942	31	0	972	409	(42%)	993	444	(45%)	993	444	(45%)
Chemicals	420	71	0	491	324	(66%)	787	541	(69%)	805	541	(67%)
Agricultural products	532	77	110	719	256	(36%)	872	408	(47%)	872	408	(47%)
Financial institutions[78]	12,185	5,107	4,116	21,408	1,170	(5%)	19,738	592	(3%)	17,344	592	(3%)
Other	18,956	13,089	1,755	33,800	514	(2%)	32,257	384	(1%)	34,853	587	(2%)
At 31 December	**37,786**	**19,547**	**6,528**	**63,860**	**6,829[§]**	**(11%)**	**61,779**	**6,734**	**(11%)**	**61,779**	**6,648**	**(11%)**

[§] This includes €5,029 million in loan investments, corresponding to 13 per cent of the Bank's total loan assets. The remaining exposure to high- or very-high-transition-risk counterparties comprises undrawn commitments (€1,234 million) and equity (€566 million). Corporate and sub-sovereign counterparties accounted for 83 per cent of Banking investments exposed to high transition risk in 2025, with financial institution counterparties making up the remainder.

77 Of this, around 11 per cent of assets for 2025 relate to projects signed before the Bank's climate risk procedures were put in place. These were not subject to the assessment and prioritisation process described in Section 4. These exposures largely reflect the general view of the climate risk associated with the subsector in which the counterparties operate.

78 This encompasses NBFIs, insurance companies and other types of financial institution.

Among corporate counterparties, utilities (excluding renewables) were the most exposed industry group, accounting for 22 per cent of all high- or very-high-transition-risk assets in 2025. The increase in the share of high-risk assets relative to 2024 results from new signings in 2025, with new high-transition-risk counterparties (€555 million) outweighing the repayments from existing high-risk counterparties (around €77 million). However, all of these new signings related to projects that either strengthen energy security or support the low-carbon transition of utilities traditionally reliant on fossil fuels, thereby contributing to the Bank's GET target.

Airport services, air freight and airlines remained the second most exposed industry group (11 per cent). The share of high- or very-high-transition-risk assets in this industry group rose to 79 per cent in 2025, reflecting new Bank financing for an airport in Türkiye (€200 million), which was not offset by repayments from existing high-risk counterparties (around €150 million).

Highways and railroads was the third most exposed industry group (11 per cent). Its decrease in exposure relative to 2024 reflects loan amortisation and repayments. The Bank's projects with these counterparties typically involve financing the modernisation of essential transport infrastructure to improve safety, efficiency and electric charging connectivity, while supporting a shift towards lower-emission, more sustainable mobility across its regions.

Exposure to counterparties operating in the oil and gas sector decreased by nearly 20 per cent in 2025, due to repayments for existing exposures and a lack of new signings. The EBRD has not financed any projects related to thermal coal mining since 2019. More details on the Bank's exposure to fossil fuels can be found later in this section. (For the avoidance of doubt, the Bank's definition of fossil fuels extends beyond the oil and gas sector, so the two are not directly comparable.)

The EBRD screens and assesses financial institution counterparties for climate risk based on loan portfolio composition, internal climate risk management and their main country of operation. In the financial institution sector, transition risk is flagged for roughly 5 per cent of exposures, mainly driven by a combination of counterparties' portfolio concentration in carbon-intensive sectors, such as oil and gas and agriculture, and their internal climate-related risk policies. This represents an increase in exposure relative to 2024 and reflects updated country scores, as well as new information received from the relevant counterparties. In cases where transition risk is flagged, the Bank engages with clients and regulators to facilitate the integration of climate risk into financial decision-making processes and monitors their development and implementation.

Geographically, counterparties from Ukraine (16 per cent), Türkiye (14 per cent) and Mongolia (9 per cent) account for the largest exposures in the high- or very-high-risk categories, mostly in line with 2024. Exposures to Ukraine and Türkiye reflect the Bank's larger exposure to these economies. The exposure in Mongolia is driven by a single counterparty, where the investment is expected to foster private-sector growth and support metals crucial to the green transition.

Because of the EBRD's commitment to supporting decarbonisation, exposures to counterparties with high transition risk are unlikely to decrease in future. However, over time, the Bank's support is expected to reduce the risk profile of these counterparties.

Physical climate risk

Table 18. Banking investment assets exposed to climate-related physical risk (€ million)

Counterparty industry	2025						2024 restated			2024 as reported		
	Loans	Undrawn loan commitments and guarantees	Equity at fair value	Total	Exposed to high or very high physical risk (%)*		Total	Exposed to high or very high physical risk (%)		Total	Exposed to high or very high physical risk (%)	
Renewable electricity	3,136	1,562	259	4,958	720	(15%)	4,635	743	(16%)	4,631	816	(18%)
Healthcare	782	146	37	965	416	(43%)	1,028	475	(46%)	1,028	475	(46%)
Airport services	566	56	130	752	414	(55%)	895	246	(28%)	1,081	246	(23%)
Utilities (excl. renewables)	2,096	638	235	2,970	287	(10%)	2,675	177	(7%)	2,582	86	(3%)
Oil and gas	335	76	58	469	249	(53%)	571	281	(49%)	651	281	(43%)
Marine transport, ports and services	327	102	20	449	231	(51%)	451	221	(49%)	451	221	(49%)
Highways and railroads	825	228	15	1,069	206	(19%)	1,491	285	(19%)	1,285	285	(22%)
Metals and mining	791	121	82	993	193	(19%)	1,314	136	(10%)	1,314	136	(10%)
Financial institutions	12,185	5,107	4,116	21,408	1,371	(6%)	19,738	662	(3%)	17,344	662	(4%)
Other	16,743	11,509	1,575	29,827	1,074	(4%)	28,982	1,136	(4%)	31,412	1,154	(4%)
At 31 December	**37,786**	**19,547**	**6,528**	**63,860**	**5,162[§]**	**(8%)**	**61,779**	**4,364**	**(7%)**	**61,779**	**4,364**	**(7%)**

[§] This includes €3,852 million in loan investments, corresponding to 10 per cent of the Bank's total loan assets. The remaining exposure to high- or very-high-physical-climate-risk counterparties comprises undrawn commitments (€1,199 million) and equity (€111 million).

The Bank assessed 91 per cent (€58 billion) of its existing Banking portfolio for physical climate risk. The remainder relates to counterparties onboarded before the Bank introduced its climate risk screening methodologies.

Corporate and sub-sovereign counterparties accounted for 73 per cent of Banking investments exposed to high physical climate risk, with financial institution counterparties making up the remainder (27 per cent). The sectors are more fragmented than for transition risk, as physical climate risk is location specific and less sector dependent. However, exposure to high risk remained largely similar to 2024. The key notable exception was the airport services industry, which grew in both volume and percentage terms, as a result of the net rise in assets exposed to high physical risks, combined with a reduction in other exposures. For clarity, this industry is a subset of the airport services, air freight and airlines industry group disclosed in Table 17 for assets exposed to carbon transition risk. See Box 3 for details of corporate and sub-sovereign counterparties.

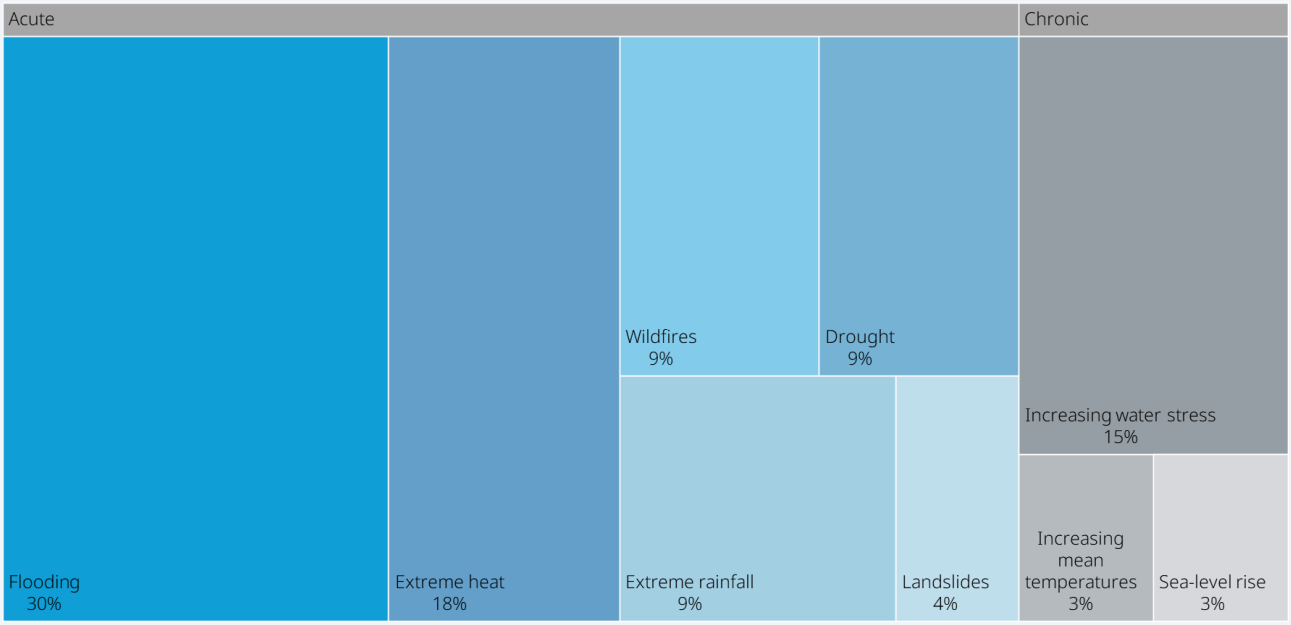
In the financial institution sector, physical risk is flagged for roughly 6 per cent of exposures. Certain EBRD economies are more exposed to physical climate risk than others. Counterparties with high exposure to risk are more concentrated in Egypt (57 per cent), Uzbekistan (16 per cent) and Ukraine (16 per cent). This is largely down to the impact of the countries' overall exposure to physical hazards and their financial ability to protect themselves accordingly. Where high physical climate risk is flagged, the Bank engages with clients and regulators to facilitate the integration of climate risk into financial decision-making processes, in addition to monitoring their development and implementation.

Box 3. Assessment of physical climate risk of corporate and sub-sovereign counterparties

Seventy-three per cent (€3.79 billion) of the Bank's high- or very-high-risk exposure in 2025 related to the corporate and sub-sovereign portfolio. Of the corporate and sub-sovereign portfolio that was scored as such, 38 per cent (€1.4 billion) was assessed during pilot exercises in 2021 and 2022.

Diversification of location was a leading factor in assessing counterparties as very low risk. Exposure to physical climate risk was often not limited to a single hazard. The top three physical climate risks for the corporate and sub-sovereign portfolio were flooding, extreme heat and increased water stress, as illustrated in Figure 5. This remains consistent with the Bank's findings from 2023 and 2024.

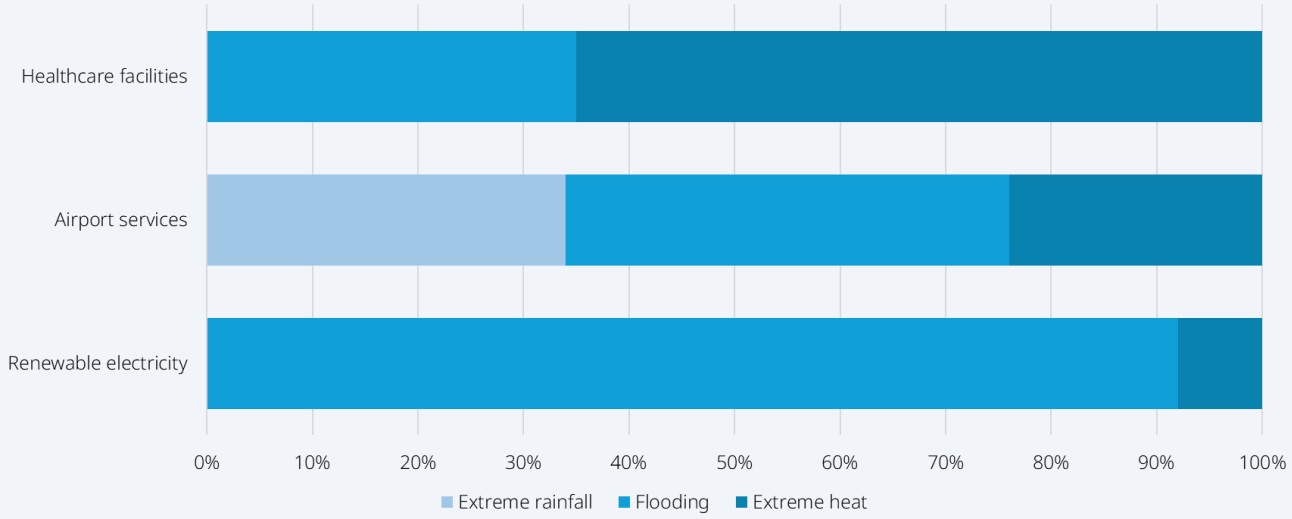
Figure 5. Relative exposure to acute and chronic hazards across high or very high physical climate risk screening scores for the corporate and sub-sovereign portfolio



In the corporate and sub-sovereign portfolio, the sectors with the most significant portfolio exposure to high physical climate risk were renewable electricity, airport services and healthcare facilities. In addition to having the largest portfolio exposure, renewable electricity has the greatest number of corporate clients assessed as being potentially high or very high risk. However, this reflects the high volume of renewable electricity projects, with only 16 per cent of the EBRD's screened exposure to this sector considered potentially high or very high risk, compared with 63 per cent of its exposure to airport services. These sector-level figures reflect scored rather than total exposure and are not directly comparable to the aggregated portfolio metrics in Table 18.

The primary hazards that triggered the high or very high physical climate risk scores in these sectors are summarised in Figure 6. While the breakdown of hazards largely reflects those seen in the portfolio overall in Figure 5, this illustrates the degree of variation between sectors, highlighting the sensitivity of underlying activities to specific climate hazards.

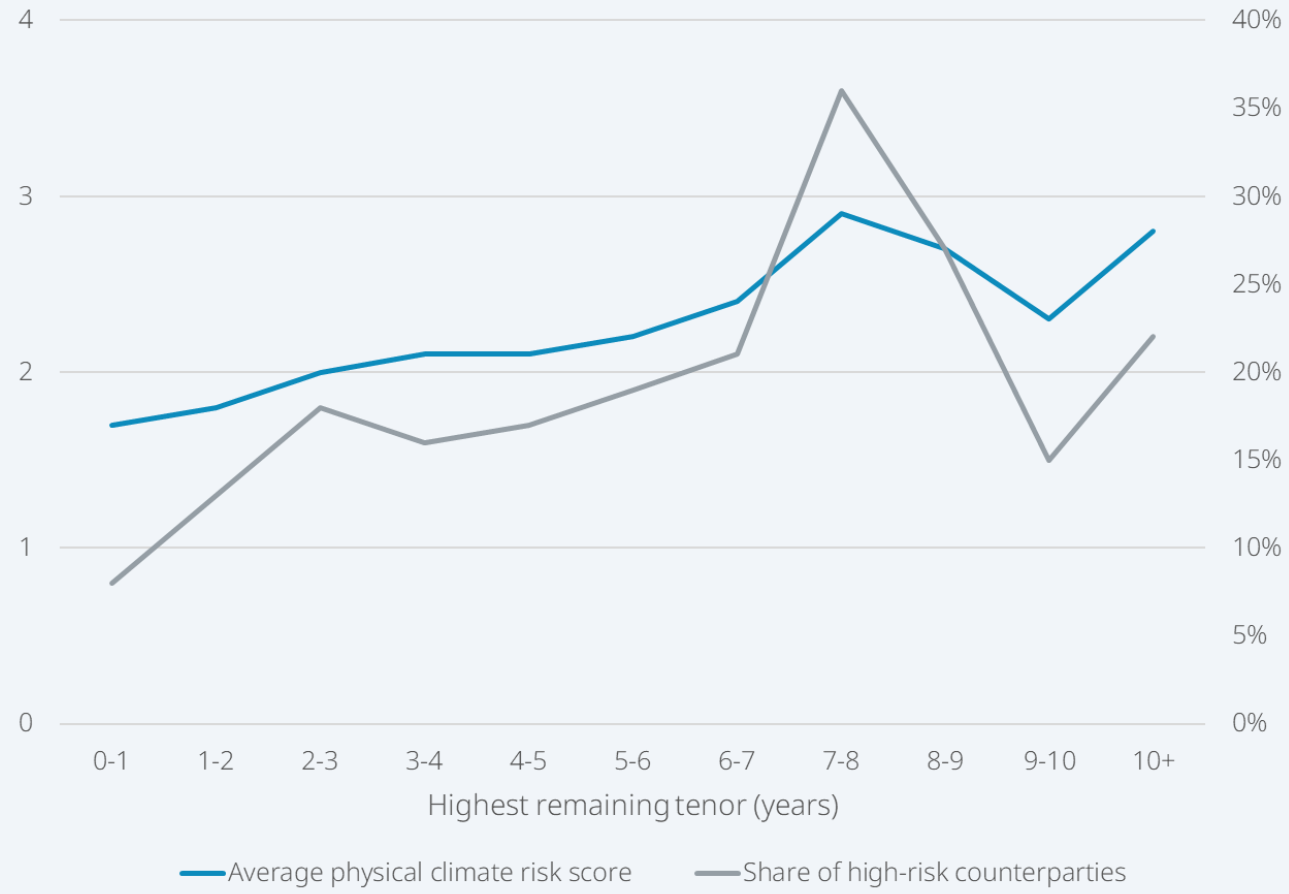
Figure 6. Overview of hazards identified in industry screening as high physical climate risks for the corporate and sub-sovereign portfolio, where counterparties may be exposed to multiple hazards



Based on total portfolio exposure, the top five economies in the Bank's regions where corporate and sub-sovereign clients face high physical climate risk are Türkiye, Kazakhstan, Egypt, Poland and Uzbekistan. This reflects the overall geographical concentration of the portfolio. In 2025, the Bank provided €3.9 billion of financing to 128 projects to support climate change mitigation and adaptation goals in these countries.

For corporate and sub-sovereign clients, the Bank's approach to assessing physical climate risk includes a specific weighting for the tenor of direct finance projects to reflect the increase in exposure to climate risks over time as the impact of higher global temperatures worsens the effects of climate change. This is reflected in the distribution of the scores shown in Figure 7 and the high frequency of high-risk counterparties at tenors of more than 10 years.

Figure 7. Average physical climate risk scores by highest remaining tenor for the corporate and sub-sovereign portfolio



All new clients flagged as potentially high or very high risk in 2025 were subject to assessment during due diligence. The clients flagged as higher risk in the portfolio whose transactions pre-dated the implementation of climate risk assessment procedures will be subject to greater scrutiny during any proposed new financing. The Bank will continue to assess the consistency of findings from the screening of new transactions with portfolio results in order to test and refine the physical climate risk methodology and assess whether portfolio management adjustments are required.

Time-horizon considerations

Table 19. Debt, guarantee and equity portfolio by time horizon

	Share of the EBRD's portfolio (%)		Share of the EBRD's portfolio (€ million)		Exposure to high or very high carbon transition risk (€ million)			Exposure to high or very high physical climate risk (€ million)	
	2025	2024	2025	2024	2025	2024 restated	2024 as reported	2025	2024
Short-term (<1 year)	3%	5%	2,108	3,212	464	379	380	97	126
Medium-term (1-7 years)	43%	42%	27,396	25,625	2,851	2,938	2,888	2,263	1,629
Long-term (>7 years)	44%	43%	27,828	26,655	2,948	2,943	2,829	2,691	2,529
Equity, at fair value	10%	10%	6,528	6,287	566	474	551	111	80
Total	**100%**	**100%**	**63,860**	**61,779**	**6,829**	**6,734**	**6,648**	**5,162**	**4,364**

In 2025, the maturity profile of the EBRD portfolio (including exposure to climate risk) remained largely consistent with 2024.

With the exception of reputational risk and acute physical risk, the Bank considers most climate-related risks associated with short-term tenors to be less likely to be financially material because of their limited time horizons.

Forty-three per cent of the EBRD's Banking portfolio has a medium-term horizon. Within this category, €2,851 million (or 4 per cent of the Banking portfolio) is exposed to carbon transition risk. The majority of medium-term portfolio investments that are highly exposed to carbon transition risk (77 per cent, or €2,196 million) are in non-EU investee economies, where the carbon transition is generally expected to occur over a longer time frame. This may potentially reduce the risk. In addition, geopolitical and security considerations could further delay transition progress. The potential disruption associated with a delayed and then rapid transition to a low-carbon economy is addressed separately by stress-testing scenarios, with outcomes communicated to management.

Medium-term investments that are highly exposed to physical climate risk account for 4 per cent of the Banking portfolio, or €2,263 million. The main hazards identified were flooding, extreme heat and increasing water stress.

Forty-four per cent of the EBRD's Banking portfolio has a long-term horizon. Within this category, €2,948 million (or 5 per cent of the Banking portfolio) is highly exposed to transition risk, while €2,691 million (or 4 per cent) is exposed to physical climate risk, primarily flooding, extreme heat and extreme rainfall.

Equity investments exposed to transition risk or physical climate risk are limited, accounting for 1 per cent and 0.17 per cent of the total Banking portfolio, respectively. The majority of the longer-term debt and equity investments were signed prior to the establishment of the climate risk-screening and assessment processes. In 2025, all counterparties flagged as high or very high climate risk underwent assessment and were subject to mitigation measures in line with Paris alignment requirements.

For information on physical climate risks to EBRD offices, see Section 5.4 of this report.

Banking investment assets exposed to fossil fuels (oil, gas and coal)

This disclosure details the Bank's lending exposure to the coal, oil and gas sectors. It spans the upstream, midstream and downstream subsectors, including gas-fuelled electricity and heat generation. It includes both (i) exposures where the proceeds are used for such activities and (ii) exposures where the Bank's financing is not used to fund such activities directly, but is provided to a counterparty that generates more than 20 per cent of its revenue from fossil fuel-related activities, based on financial information available to the Bank and professional judgement.

These exposures are, therefore, not directly comparable to Tables 17 and 18, as they include direct investments related to fossil-fuel activities where the counterparties operate in other sectors (for example, sovereign states), as well as financing provided to counterparties with significant revenue dependency on fossil fuel-related activities outside the oil and gas sector (for example, fossil fuel-based electricity and heat generation). In line with the EBRD's Energy Sector

Strategy,[79] the Bank no longer finances thermal coal mining or coal-fired electricity generation capacity, and does not invest in the upstream oil and gas sector. Since 2023, investments relating to fossil fuels have adhered to the Bank's Paris alignment approach.[80]

Consequently, the EBRD's exposure to fossil fuels is as follows:

Legacy: Where the proceeds are directed to fossil fuel-related activities and do not contribute to a reduction in the GHG emissions of the counterparty or its progression to a low-carbon pathway. This type of financing was signed prior to the introduction of the Bank's climate risk assessments, the adoption of the Paris alignment approach and the exclusion of certain financing activities under the Bank's Energy Sector Strategy.[81] In 2025, these exposures declined by 23 per cent relative to 2024.

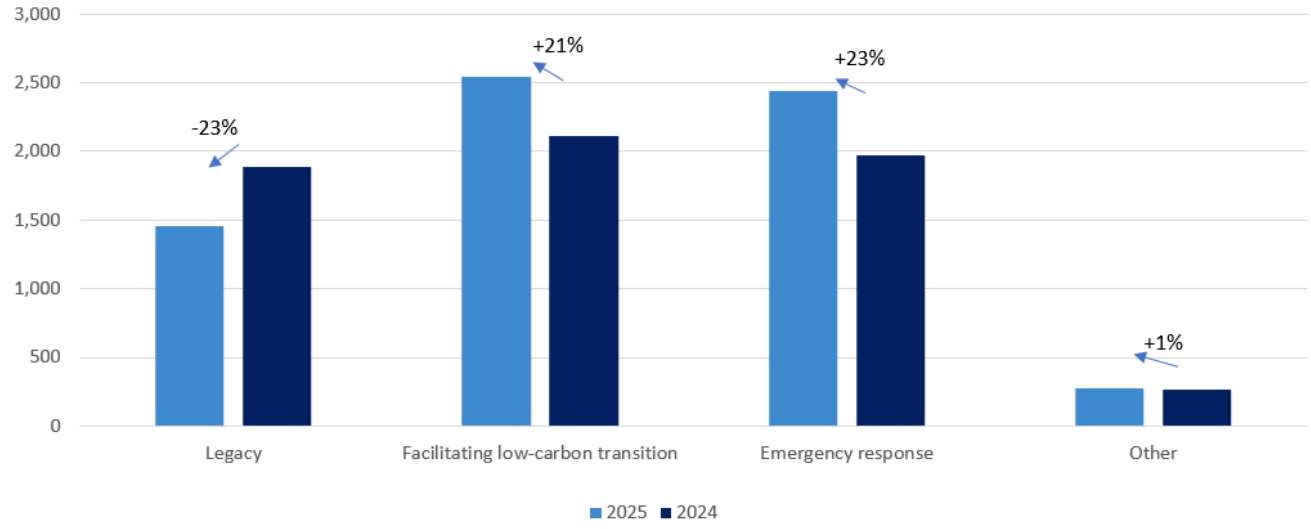
Facilitating the low-carbon transition: Where the client conducts activities related to fossil-fuel activities, but EBRD financing specifically supports the client in executing its low-carbon pathway strategy or facilitates a switch to lower-carbon alternatives that result in GHG emission reductions. This includes financing energy-efficiency improvements, renewables or infrastructure upgrades to facilitate the transition to a low-carbon economy (for example, supporting investments in solar farms by a fossil fuel-dependent energy provider). Many of these clients have decarbonisation plans in place, such as coal exit strategies. In some cases, the EBRD provides further support by facilitating policy dialogue on the rollout of renewables or the enhancement of energy-efficiency strategies.

Emergency response: Where the Bank's financing is part of an emergency response. These are loans provided in response to an acute situation, such as threats to energy security (for example, as a result of the war on Ukraine).

Other: Where the proceeds do not finance fossil fuel-related activities, facilitate the low-carbon transition or fall into the emergency response category, but the Bank is aware that the counterparty has material fossil fuel-related dependencies (predominately transport related, such as rail). Typically, the use of EBRD proceeds in such cases is ring-fenced from any fossil fuel-related activities and all investments must comply with the Bank's Paris alignment methodology and Energy Sector Strategy.

As at December 2025, the Bank's investment assets exposed to fossil-fuel sectors and fossil fuel-based energy generation totalled €6.7 billion,* or 11 per cent of the total Banking portfolio – an increase of €0.5 billion (or 8 per cent) relative to 2024. This increase was mainly driven by new financing that supported energy security in Ukraine (60 per cent) and facilitated the low-carbon transition (38 per cent), in line with the Paris Agreement.

Figure 8. Year-on-year comparison of EBRD net fossil-fuel exposure (€ million)



79 See EBRD (2023a).
80 See EBRD (2024b).
81 See EBRD (2023a).

Table 20. Fossil-fuel exposure breakdown, December 2025 (€ million)

Use of proceeds / Client	Legacy	Facilitating the low-carbon transition	Emergency response	Other	Total	% of total
Fossil fuels, vertically integrated[82]	-	130	1,074	25	1,229	18%
Upstream[83]	88	-	238	-	326	5%
Midstream[84]	817	360	598	226	2,001	30%
Downstream[85]	548	2,056	528	23	3,155	47%
Total	**1,453**	**2,547**	**2,437**	**274**	**6,711**	**100%**
%	22%	38%	36%	4%	100%	

Geographically, Ukraine has the highest concentration of fossil-fuel exposures (26 per cent), followed by Kazakhstan (8 per cent) and Greece (6 per cent). A more detailed review of the three main fossil-fuel categories is presented below.

Legacy: At the end of 2025, legacy exposures amounted to €1.5 billion (22 per cent of the EBRD's fossil-fuel exposure), mostly sovereign or sovereign-guaranteed transactions limiting repayment risk, and were concentrated in four projects signed before 2019 (69 per cent). The EBRD's legacy exposure to fossil fuels decreased by 23 per cent relative to 2024, and will continue to decline progressively over the coming years, with 83 per cent of this category projected to be repaid by 2035. Legacy fossil-fuel exposures account for 2 per cent of the EBRD's total Banking investment assets.

Facilitating low-carbon transition: The Bank's exposure to this category amounted to €2.5 billion (38 per cent of the EBRD's fossil-fuel exposure) in 2025, up 33 per cent from 2024. (Net of repayments, the increase was 21 per cent.) This was largely driven by €689 million of new financing, primarily for projects that increased renewable energy capacity for clients traditionally reliant on fossil fuels. Exposure to this category is expected to continue to increase over the coming years as the Bank implements its Energy Sector Strategy, which focuses on accelerating the decarbonisation of the energy sector, notably by scaling up renewables.[86]

Emergency response: The emergency response portfolio accounted for 36 per cent of the EBRD's fossil-fuel exposure in 2024, increasing by 23 per cent relative to 2024. This increase was mostly due to new financing in Ukraine and affected regions to support energy security and vital infrastructure during the ongoing war. The EBRD's fossil-fuel exposure in this category is subject to change based on external factors. In all cases, new investments will be aligned with the goals of the Paris Agreement.

The investment portfolio metrics in this section incorporate estimates and management judgement because of ongoing changes to methodologies, data availability and the use of manual data-collection processes. Where automated data capture is not available, reasonable assumptions and collection processes have been used. Consequently, reported figures are subject to variation, which management currently expects to be within an approximate range which will not materially influence users' interpretation of the disclosures.

82 Fossil-fuel operations spanning upstream, midstream and downstream activities.
83 Fossil-fuel exploration, extraction and related services.
84 Fossil-fuel transport and storage (gas distribution, regasification and liquefaction).
85 Fossil fuel-based electricity and heat generation, and supply of district networks, gasoline stations and refineries.
86 See EBRD (2023a).

5.4. Industry-based metrics

Green investment reporting

In its GET approach for 2021-25,[87] the Bank introduced a set of indicators for projects that accelerate the transition to a green, low-carbon, resilient economy, which it has since tracked and reported annually. That approach has now been superseded by the GET Strategy 2026-30,[88] and reporting will be on this basis in future reports. Table 21 presents several key indicators, grouped under the following headings:

Compositional indicators: These relate to four specific Bank strategic parameters: (i) private-sector share of GET finance, (ii) level of climate finance, (iii) level of adaptation finance and (iv) GET mobilisation. The EBRD monitors and reports climate finance in line with a joint MDB climate finance tracking methodology.[89] The Bank tracks climate change mitigation[90] and climate change adaptation[91] projects, as well as other environmental activities. The EBRD reports on private-sector climate change mobilisation in accordance with the joint MDB approach to climate co-finance[92] and the MDB approach to private-sector mobilisation.[93]

Performance indicators: These reflect key inputs and outcomes of GET projects, such as GHG reduction, water efficiency, renewable energy investment and climate adaptation, as well as private-sector climate change mobilisation.

Process indicators: These monitor progress on the implementation of specific GET processes and organisational arrangements.

Table 21. Green investment-related indicators[94]

Compositional indicators	2022	2023	2024	2025*
Annual green finance commitments (€ million)	6,360	6,543	9,664	9,380
Private-sector share of green finance	75%	79%	73%	76%
Annual climate finance commitments (EBRD resources) (€ million)	6,081	6,360	9,397	9,116
Annual adaptation finance commitments (€ million)	246	372	1,082	898
Annual mitigation finance commitments (€ million)	5,943	6,201	8,848	8,617
Estimated green-eligible annual mobilised investment (€ million)	1,071	1,674	2,516	3,169

Performance indicators	2022	2023	2024	2025*
Estimated CO_2e emission reduction ($ktCO_2e/y$)	11,141	10,710	10,852	16,393
Estimated CO_2e emission reduction ($ktCO_2e/y$), restated[§]	10,823	9,675	10,154	n.a.

Process indicators	2022	2023	2024	2025*
No. of projects assessed as being Paris aligned[95]	170	420	595	717

[§] The estimated CO_2e emission reduction metric has been restated due to a change in the reporting boundaries of the metric. Our recalculation approach is described in Section 6 of the report.

87 See EBRD (2020a).
88 See EBRD (2026b).
89 See AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2021) and AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB, World Bank Group and IDFC (2023a and 2023b).
90 Climate change mitigation involves activities that are compatible with low-emission pathways that reduce, avoid, limit or sequester GHG emissions to mitigate climate change.
91 Climate change adaptation involves activities to reduce the risks or vulnerabilities posed by climate change and to increase climate resilience.
92 See ADB, AfDB, EBRD, EIB, IDB and World Bank Group (2016).
93 See ADB, AfDB, AIIB, EDFI, EBRD, EIB, IDB, IDB Invest, ICD, IsDB, NDB and World Bank Group (2018).
94 See Section 6.
95 For details of the EBRD's Paris alignment methodology, see https://www.ebrd.com/ebrd-paris-alignment-methodology.

The EBRD has been undertaking assessments of the Paris alignment of directly financed projects since June 2021.[96] Since January 2023, all new investments have been Paris aligned. At the end of 2025, a total of 717 projects, including 86 projects under short-term financing arrangements for trade finance facilities, had been assessed as being Paris aligned. The Bank excludes projects from assessment for Paris alignment where they are classified as legacy projects. These can include:

- operational change reports or memos where there is no change in the use of proceeds or the size of EBRD financing
- uncommitted tranches for projects outside high-emitting or climate-vulnerable sectors
- financial institution projects involving the commitment of uncommitted investments that were approved by the Board and included in signed legal documentation by 31 December 2022
- financial institution projects involving the deployment of trade finance under existing contracts with signed legal agreements.

In 2025, nine projects were excluded from assessment in this manner.

The Bank also uses a "shadow" carbon price for its stress-test scenarios, as described in Section 4.3. The Bank uses NGFS prices – specifically, those of the September 2022 "orderly transition" scenario, consistent with achieving the Paris Agreement's 1.5°C mitigation goal.[97] The price per metric tonne used varies over time. For a tonne of CO_2 emitted in 2025, the price was €131 (in 2022 prices).

Capital market finance and participation metrics (E)

EBRD issuance of themed bonds[98]

The Bank has issued environmental sustainability bonds since 2010. These are bonds issued against a portfolio of the EBRD's green, climate-relevant and sustainable resource projects in areas such as renewable energy, energy efficiency, water and waste management, and sustainable transport. In 2025, the Bank issued €1,025 million of ESBs.

The Bank first issued climate resilience bonds in 2019, in line with both the Green Bond Principles[99] and the Climate Bonds Initiative's Climate Resilience Principles.[100] CRBs provide an opportunity to finance projects aimed at building climate resilience by addressing physical climate change vulnerabilities and risks identified in public- and private-sector projects in the economies where the EBRD operates. Key sectors for CRB issuance include infrastructure, business and commercial operations, agriculture and ecological services. The Bank issued no CRBs in 2025.

The Bank started issuing green transition bonds (GTBs) in 2019, with a focus on key economic sectors that are highly dependent on the use of fossil fuels, to enable their transition to low-carbon and resource-efficient operations. In assessing these investments, it is vitally important to go beyond the typical primary green-bond focus on projects' environmental and sustainability goals, and contextualise the investments within the overarching mandate, strategies and policies of the borrower. Projects financed through GTBs must also incorporate the broader context of better climate governance and the low-carbon transition of the borrower. This structure ensures that financing is redirected from carbon-intensive assets or processes to activities that enable a country to fulfil its climate commitments and objectives. Projects under the GTB framework concentrate on manufacturing, food production, and the construction and renovation of buildings. The Bank issued €637 million of GTBs in 2025.

96 See EBRD (2024b). Although there has been substantial progress in recent years, carbon prices remain limited or non-existent in many of the economies where the EBRD invests. In the absence of an adequate market price for carbon, the EBRD uses a "shadow" carbon price as part of an economic viability test in respect of the Bank's methodology to determine the Paris alignment of EBRD investments, limited to projects where a conclusive alignment determination has not been made in the general screening step and such a determination is informative.

97 See NGFS (2022).

98 See Section 6.

99 See ICMA (2025).

100 See CBI (2019).

In light of the growing importance that socially responsible investors are placing on the impact of projects underlying green bond issuance, the EBRD has continued to develop its annual impact reporting for all three green bond programmes, referencing the best-practice and impact metrics of the Green Bond Principles.[101]

EBRD participation in labelled bonds

In 2025, the EBRD invested in 15 green, sustainability and sustainability-linked (GSS) bonds for a total of €626 million. In comparison, the Bank invested in 25 GSS bonds for a total of €720 million in 2024 and 15 GSS bonds for a total of €470 million in 2023.

The EBRD retained a significant role as an anchor investor, continuing to support repeat issuers, as well as early-stage issuers in its countries of operation, preparing them for future and repeat issuance. Although most of the Bank's labelled bond investments are denominated in euros and US dollars, the EBRD is also committed to supporting local-currency capital markets. In 2025, €183 million of the Bank's investments were in local currency-denominated issues. Since 2017, the Bank has invested around €3.6 billion in the labelled bonds of 66 issuers in over 20 countries of operation.

In 2025, green bonds continued to be the main labelled instrument that the EBRD invested in, as well as the Bank's dominant form of issuance in its countries of operation. The EBRD continues to support capital market development and product innovation in its investee economies. In 2025, for instance, Egyptian PFI Banque Misr's inaugural sustainability-linked loan enabled it to make more financing available to underserved groups, such as women-led or -owned micro, small and medium-sized enterprises (MSMEs), as well as supporting affordable housing for low-income individuals.

Green capital market activity remained concentrated across the EBRD regions, with Türkiye, Poland and Romania continuing to account for the largest shares of the EBRD's investment in labelled bonds, alongside regional projects. At the same time, labelled debt issuance in Croatia, Morocco and Lithuania in 2025 underscored the steady expansion of green capital markets across the Bank's economies of operation.

Physical climate risks to EBRD offices

In 2025, the EBRD continued to strengthen its approach to assessing and managing physical climate risks across its internal operations. Building on previous assessments of its largest offices and data centres, the EBRD updated its analysis to align it with the physical climate risk screening process used for clients, using 2030 as the screening year in line with the typical duration of EBRD office leases. The EBRD screened its headquarters, data centres and 33 resident offices using the Shared Socioeconomic Pathway (SSP) 2-4.5 climate change scenario (with projected global warming of around 2.1°C to 3.5°C by 2100) for the relevant climate-related hazards: flooding, wildfires, extreme heat and drought.[102]

The Bank used the same hazard metrics and thresholds when assessing both its own sites and clients. The four hazards used in screening are the most common hazards for EBRD clients on the basis of operational experience.

Table 22. Four hazards used in EBRD screening

Hazard	Business impact rationale for EBRD
Flooding	The Bank's flood likelihood and depth thresholds reflect those commonly used in the insurance industry. These correspond to around 30 per cent damage to most asset types.
Wildfires	Major wildfire screening focuses on the probability that an asset will ignite and be fully destroyed if exposed to wildfires.
Extreme heat	Extreme heat screening is based on a threshold for the number of days where heat exceeds temperatures at which a major impact on human health, plant photosynthesis and equipment degradation will begin to accelerate markedly.
Drought	The EBRD screens for a water stress threshold beyond which water availability becomes critical and demand is at risk of surpassing supply.

The screening identified the following locations as being potentially the most exposed to physical climate risks:

Table 23. Locations potentially most exposed to physical climate risks

Extreme heat	Drought	Flooding
8 resident offices	17 resident offices	1 resident office (Tunis)
	2 data centres	
	EBRD headquarters	

101 See ICMA (2025) and EBRD (n.d.a).

102 See IPCC (2021).

Based on the climate-hazard screening, the Bank reviewed and assessed potentially high exposure in the context of operational risk, including business continuity, at the locations flagged. The assessment focused on the potential impacts of the hazards, as well as existing EBRD practices. From this, the Bank concluded that there were sufficient mitigants in place at the office locations to manage the potential exposure:

- Drought: The EBRD's operations are not water sensitive, and drought has a limited impact on their ability to maintain normal activity levels.
- Extreme heat: The EBRD's offices are all equipped with robust heating, ventilation and air-conditioning systems, which are assessed as part of the office selection process. This ensures that the working environment remains acceptable during periods of extreme temperature. While the Bank's work is almost entirely indoors, it recognises that extreme heat may affect some operations, such as site visits, and may impact energy costs when it comes to the cooling of offices.
- Flooding: The EBRD has a well-developed remote working model that allows all core operations to be conducted outside its main offices. In the event of a flood affecting access to or the safe operation of a resident office, the EBRD's staff would be able to continue operations remotely.

These results build on earlier assessments, including those of the Bank's headquarters and data centres, which showed that while flooding might be a risk, there was systemic resilience due to the flood defence measures in place in London. There is no critical IT infrastructure in the Bank's headquarters. The Bank's two data centres are located on different sides of Greater London, further reducing the risk of flood impacts on IT infrastructure.

The outcomes of these assessments have informed the Bank's efforts to assess and continue to build resilience to physical climate risks across its operations. In 2026, the Bank plans to incorporate these assessments in building-level resilience assessments and its selection process for new locations, including as part of its expansion into sub-Saharan Africa. This aims to ensure that new resident offices are not located in highly vulnerable locations and have adequate facilities to manage exposure to extreme temperatures. The EBRD also plans to use climate hazard data to inform new climate event response planning for business resilience and health and safety.

5.5. Climate-related target and performance overview (E)

The Bank's overall approach is typically refreshed every five years in the SCF. In 2025, the Bank adopted a new SCF, charting a new course as regards the green transition, and in early 2026, it set out specific goals in its GET Strategy 2026-30, which will guide the pursuit of these goals in the next SCF period. Future ISSB disclosures will report on the achievement of the Bank's goals.[103]

Table 24. Overview of the EBRD's climate-related targets and progress in achieving them

Section	Target and timeline	Progress
Paris alignment	Alignment of new Bank activities with the Paris Agreement Time frame: from 1 January 2023	Achieved and ongoing
Green finance	Green finance to account for at least 50 per cent of ABI Time frame: by 2025, continued for 2026-30	Target reached every year since 2021
Annual mobilised investment (AMI)	Cumulative total AMI of €2.5 billion in 2021-25, with green AMI to be no less than half of this amount Time frame: 2021-25	Target reached
Emissions reduced through financing	Annual GHG emissions reduction of 25-40 million tonnes in 2021-25 (cumulative ex ante estimate) Time frame: 2021-25	Annual cumulative CO_2e emissions reduction in 2021-25 expected to be 52 $MtCO_2e$
Paris alignment of internal operations	Reduce Scope 1 and Scope 2 emissions by 55 per cent by 2033; reduce two-thirds of Scope 3 emissions by 55 per cent. (This relates to 100 per cent of categories 2-8 and 55 per cent of category 1; the target does not cover categories 9-14 or category 15.) Take responsibility for unabated operational emissions (excluding Scope 3, category 15) by purchasing and retiring high-integrity carbon credits	On track to achieve target by 2033; carbon credits have been procured and retired, covering 100 per cent of in-scope ongoing operational emissions since 2017

103 See EBRD (2026c).

Target: Paris alignment

The EBRD's approach to aligning its investments and internal activities with the Paris Agreement is integral to its support for climate action. Since 1 January 2023, all new EBRD investments and activities have been aligned with the mitigation and adaptation goals of the Paris Agreement.[104]

Target: Green finance

In 2020, the Board of Directors approved the GET approach for 2021-25 as part of the SCF 2021-25.[105] This approach aimed to scale up the Bank's contribution to addressing the climate and environmental crisis by increasing green finance to at least 50 per cent of ABI by 2025. The Bank first achieved this target in 2021.

In 2025, the EBRD invested €9.4 billion in green finance, corresponding to a green share of 56 per cent of ABI. Its eligible investments spanned climate mitigation, climate adaptation and other environmental activities.

Table 25. EBRD's annual green finance commitments, 2021-25

	2021	2022	2023	2024	2025
Annual green finance commitments (€ million)	5,366	6,360	6,543	9,664	9,380
Green share of total ABI	51%	50%	50%	58%	56%

Target: Annual mobilised investment

The EBRD aims to maximise the additional contribution the private sector makes to Bank investments. It actively engages private co-investors, such as insurance companies, asset managers, pension funds and commercial banks, through a range of mobilisation products. The contribution arranged directly by the EBRD is termed annual mobilised investment. The Bank's aim was for cumulative total AMI to be at least €2.5 billion over the period 2021-25, with green AMI to be no less than half of this amount.

Target: Emission reductions through finance

The Bank is aiming to achieve net GHG emission reductions of 25-40 million tonnes of CO_2e ($MtCO_2e$) per year through the projects it financed between 2021 and 2025, based on cumulative projected emissions for a typical year on the basis of comprehensive assessments by in-house engineers and external consultants. Green projects approved in 2025 are expected to reduce annual CO_2e emissions by around 16 million tonnes. In 2025, the Bank's cumulative emission reduction stood at 52 $MtCO_2e$ per year, exceeding its target.

Climate-related targets for the EBRD's own operations

The EBRD has set interim (five-year) and long-term (10-year) own-operations decarbonisation targets as part of its Paris alignment commitment. These targets cover gross GHG emissions (tCO_2e) from its buildings, travel and procurement of goods and services (but do not cover GHG emissions from its financing) against a 2023 carbon footprint baseline.[106]

The baseline was established following a full inventory of the EBRD's own-operations emissions and verified by a third party other than the assurance provider, and is in line with the Greenhouse Gas Protocol.[107] Operational emissions associated with the Bank's expansion into sub-Saharan Africa since 2023 have not been included in the baseline, nor in the decarbonisation targets, but will be tracked and reported separately.

The EBRD has set interim (five-year) gross emission reduction targets for Scope 1, Scope 2 and Scope 3, category 6 emissions (business travel), as well as a supplier engagement target for Scope 3, category 1 emissions (purchased goods and services). Moreover, the Bank has set 10-year gross emission reduction targets covering Scope 1, Scope 2 and 67 per cent of Scope 3 emissions. This approach is informed by market guidance and supported by a detailed set of actions related to workspaces, travel and supply-chain emissions (see Table 26).

104 Aside from certain projects excluded from the Paris alignment assessment, as explained in detail in Section 5.4.

105 See EBRD (2020a and 2020b).

106 Scope 1, Scope 2 and Scope 3 (categories 1-14 – excluding category 15, financed emissions) GHG emissions (tCO_2e).

107 See Greenhouse Gas Protocol (n.d.).

To complement internal decarbonisation measures and maintain alignment with the goals of the Paris Agreement in the Bank's own operations, the EBRD takes responsibility for its unabated operational emissions across Scopes 1 to 3 (excluding category 15) through the purchase and retirement of high-integrity carbon credits. The Bank sources credits from projects located in its countries of operation that deliver real and independently verified climate outcomes. The carbon credits are certified under recognised international standards (Gold Standard, Verra) and, where available, a substantial share is further aligned with the Core Carbon Principles integrity framework of the Integrity Council for the Voluntary Carbon Market. The portfolio consists of both emission-reduction and nature-based removal credits, supported by independent carbon credit ratings and suppliers' due-diligence processes to ensure environmental integrity and consistency with high-quality market practice.

Table 26. Overview of interim (2027) and long-term (2033) gross emission-reduction targets

2027 interim targets	2033 long-term targets
Ten per cent reduction in all Scope 1 and 2 emissions	Fifty-five per cent reduction in all Scope 1 and 2 emissions
Ten per cent reduction in all Scope 3, category 6 emissions (business travel)	Fifty-five per cent reduction in Scope 3 emissions (covering two-thirds of Scope 3 emissions, per SBTi guidance)
Suppliers accounting for half of Scope 3, category 1 emissions (purchased goods and services) to be Science-Based Targets initiative (SBTi) aligned[108]	

In 2025, the Bank reported total greenhouse gas emissions of 34.3 $ktCO_2e$, compared with 38.5 $ktCO_2e$ in the 2023 baseline year, representing an overall reduction in emissions. Relative to the 2023 baseline, this change reflects:

- an 11 per cent increase in Scope 1 emissions
- a 21 per cent decline in Scope 2 (market-based) emissions
- an 11 per cent decrease in Scope 3 emissions, highlighting continued progress in reducing indirect emissions alongside targeted efficiency improvements.

Performance against the targets in Table 26 will be monitored, reviewed and disclosed annually.

108 See SBTi (2025). The Bank's approach is in line with SBTi guidance on supplier engagement. It will monitor suppliers' progress against this target on an annual basis and report on performance against the target in 2027.

6. Definitions of key metrics

Metric	Definition/scope	Units	Method	Source/ governance
GHG emissions, Scope 1	Scope 1 emissions are direct emissions from Bank-owned or -controlled sources. The EBRD's disclosure of Scope 1 emissions encompasses emissions generated by on-site heating and cooling, as well as fuel use in EBRD-owned vehicles. Scope 1 emissions are calculated for both the EBRD's London headquarters and its resident offices.	tCO_2e	The EBRD's emissions accounting follows the measurement requirements of the Greenhouse Gas Protocol.[109] For further information on the Bank's GHG accounting approach, see Section 5.2 of this report.	The EBRD's emissions disclosures are prepared using a variety of data inputs from EBRD activity data and GHG emissions proxies.
GHG emissions, Scope 2 – location based	Scope 2 emissions are indirect emissions from Bank-owned or -controlled sources. The EBRD's disclosure of Scope 2 emissions encompasses emissions related to purchased electricity and district heating. Location-based emissions are calculated using grid average emission factors based on the average emissions intensity of the grids where the energy consumption occurs. Scope 2 emissions are calculated for both the EBRD's London headquarters and its resident offices.	tCO_2e	The EBRD's emissions accounting follows the measurement requirements of the Greenhouse Gas Protocol. For further information on the Bank's GHG accounting approach, see Section 5.2 of this report.	The EBRD's emissions disclosures are prepared using a variety of data inputs from EBRD activity data and GHG emissions proxies.
GHG emissions, Scope 2 – market based	Scope 2 emissions are indirect emissions from Bank-owned or -controlled sources. The EBRD's disclosure of Scope 2 emissions encompasses emissions related to purchased electricity and district heating. Market-based emissions are calculated based on contractual instruments, taking into account the EBRD's choice to purchase electricity from renewable energy sources. Scope 2 emissions are calculated for both the EBRD's London headquarters and its resident offices.	tCO_2e	The EBRD's emissions accounting follows the measurement requirements of the Greenhouse Gas Protocol. For further information on the Bank's GHG accounting approach, see Section 5.2 of this report.	The EBRD's emissions disclosures are prepared using a variety of data inputs from EBRD activity data and GHG emissions proxies.
GHG emissions, Scope 3 – categories 1-14	Scope 3 emissions are indirect emissions arising in the Bank's value chain. The EBRD's Scope 3 emissions relate to emissions from purchased goods and services, business travel, waste generation and employee commuting. They do not include financed emissions. Scope 3 emissions, categories 1-14, are calculated for both the EBRD's London headquarters and its resident offices.	tCO_2e	The EBRD's emissions accounting follows the measurement requirements of the Greenhouse Gas Protocol. For further information on the Bank's GHG accounting approach, see Section 5.2 of this report.	The EBRD's emissions disclosures are prepared using a variety of data inputs from EBRD activity data and GHG emissions proxies.
Financed GHG emissions, Scope 3 – category 15	Scope 3, category 15 emissions are indirect emissions arising in the Bank's value chain as a result of	tCO_2e	The EBRD's approach follows the guidance and principles of the Greenhouse Gas Protocol and the Global GHG Accounting and Reporting Standard published by the Partnership	The Bank applies the PCAF Global GHG Accounting and Reporting Standard (Part A: Financed

109 See Greenhouse Gas Protocol (n.d.).

Metric	Definition/scope	Units	Method	Source/ governance
	investments that the Bank has financed.		for Carbon Accounting Financials (PCAF).[110] Calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A (2022), applying asset class-specific methodologies. With reference to Section 5.2, absolute gross financed emissions are calculated by attributing a proportion of a project or client's total greenhouse gas emissions to the Bank, based on the value of the Bank's outstanding exposure relative to the total value of the client or project on the balance sheet date and internal systems. The attribution factor ensures that only the share of emissions that corresponds to the Bank's financing is reported. The financial data used for the attribution denominator are sourced internally where possible, with sources including balance sheet information, loan systems and project finance documentation.	Emissions) as the primary methodological reference for calculating financed emissions and assessing data quality. The Bank's use of the PCAF is reflected in its public climate-related disclosures, which reference the PCAF within the governance and metrics framework used for reporting Scope 3 financed emissions. The Bank's broader financed-emissions disclosures are presented in Section 5 of this report.
Sectoral coverage – financed emissions	The proportion of investments for which Scope 3, category 15 emissions have been assessed, segregated by client industry sector.	%	This measure is determined based on the proportion of total operating assets for which an assessment has been made.	Derived from the Bank's assessment of financed emissions, using internal portfolio data to determine the proportion of operating assets with Scope 3, category 15 emissions assessed by client industry sector, under the Bank's sustainability reporting governance.
Green finance classification	The proportion of financing channelled to climate change mitigation or adaptation, or other environmental activities as defined in the EBRD's green finance tracking methodology.	%	The Bank's green finance approach broadly follows the six environmental objectives of the EU Taxonomy for Sustainable Finance,[111] which are divided into four main green finance categories: • climate change mitigation • climate change adaptation • nature • other environmental activities (e.g. air pollution).	Classification as green finance is in line with the processes defined in the EBRD's green finance tracking methodology. Green metrics (also as set out below) are, in particular, applied in Sections 5.4 and 5.5 of this report.
Annual green finance commitments	The amount of ABI[112] committed to projects that, based on an ex ante assessment at the time of commitment, aim to advance the transition to an environmentally sustainable, low-carbon and climate-resilient economy, in accordance with the Bank's methodology to determine the green finance attribution of EBRD investments.[113] Annual green finance	€	This metric is calculated as the sum of the green share of the total ABI of all facilities or activity lines committed by the Bank during the year (excluding restructured commitments). The green share is determined individually for each facility or activity line that meets the GET eligibility criteria, based on the ratio of green-eligible ABI to the total	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments.

110 See PCAF (2019, 2022, 2025).

111 See European Commission (2020).

112 Volume of commitments made by the Bank during the year. This includes (i) new commitments (less any amount cancelled or syndicated within the year), (ii) restructured commitments, and (iii) trade finance (TFP) amounts issued during the year and outstanding at year-end.

113 See EBRD (2025e).

Metric	Definition/scope	Units	Method	Source/ governance
	commitments include new commitments and amounts issued under the Trade Facilitation Programme (TFP) during the year and outstanding at year-end. Restructured commitments are not eligible for annual green finance attribution.		cost of investment for the relevant project, tranche or component. GET finance commitments address the following objectives: 1. mitigation finance (as explained in the "annual mitigation finance commitments" metric below) 2. adaptation finance (as explained in the "annual adaptation finance commitments" metric below) 3. nature finance 4. environmental finance. A project might have multiple environmental benefits. A project or its components could contribute to mitigation (for example, by reducing GHG emissions), contribute to adaptation (for instance, by increasing climate resilience) and/or produce other environmental benefits (such as biodiversity or water conservation). All of these benefits should be recognised and documented. However, the GET finance attributable to a project should be counted only once and the total amount of green finance cannot exceed 100 per cent of the project cost.	
Private-sector share of green finance	The percentage of the Bank's GET-eligible ABI (as determined under the "annual green finance commitments" metric above) that is committed to private entities. The distinction between the private and state sectors is as defined in Article 11.3 of the Agreement Establishing the Bank.[114]	%	The private-sector share of green finance represents the proportion of green-eligible ABI committed to private-sector projects during the reporting year. It is calculated as total annual green finance committed to the private sector divided by the total annual green finance commitment (as determined in the metric above).	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments.
Estimated green-eligible annual mobilised investment	Estimated amount of green-eligible investment in the Bank's AMI. AMI is the volume of commitments from entities other than the Bank made available to clients that is explicitly due to the Bank's direct involvement.	€	This metric represents the estimated amount of AMI committed alongside EBRD finance for green-eligible projects that aim to advance the transition to an environmentally sustainable, low-carbon and climate-resilient economy. For each project, the metric is calculated by pro-rating the AMI amount by the project's "green share at approval" – a project-level metric that is a weighted average of the GET percentages assigned to all of the facilities within the project at the approval phase. Individual facilities are assigned a green percentage as determined in the "annual green finance commitments" metric above.	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments. An overview of the EBRD's range of mobilisation products can be found on the Bank's website.[115] Green mobilisation is based on the joint MDB approach to climate finance tracking.[116]
Banking investment assets exposed to climate-related transition risk	The amount of total Banking investment assets at the reporting date that are with counterparties which have been assessed for climate-related transition risk and assigned a high (score of 4) or very high (score of 5) risk score in accordance with the	€ and %	The metric is calculated as the sum of investment with a high or very high transition risk score (a score of 4 or 5, respectively) outstanding as at the reporting date for all counterparties. The scores are reviewed periodically or	The method stated in this section is to be read in conjunction with the EBRD's climate risk assessment process

114 See EBRD (1990).

115 See EBRD (n.d.c).

116 See ADB, AfDB, EBRD, EIB, IDB and World Bank Group (2016).

Metric	Definition/scope	Units	Method	Source/ governance
	EBRD's climate risk assessment process, described in Section 4.2 of this report. Banking investment assets include loans, undrawn loan commitments, guarantees and equity, as disclosed in Table 17 of this report.		when material new information is received.	described in Section 4.2 of this report. Refinements to the risk assessment process are applied prospectively.
Banking investment assets exposed to climate-related physical risk	The amount of total Banking investment assets at the reporting date that are with counterparties which have been assessed for climate-related physical risk and assigned a high (score of 4) or very high (score of 5) risk score in accordance with the EBRD's climate risk assessment process, described in Section 4.2 of this report. Banking investment assets include loans, undrawn loan commitments, guarantees and equity, as disclosed in Table 18 of this report.	€ and %	The metric is calculated as the sum of investment with a high or very high physical risk score (a score of 4 or 5, respectively) outstanding as at the reporting date for all counterparties. The scores are reviewed periodically or when material new information is received.	The method stated in this section is to be read in conjunction with the EBRD's climate risk assessment process, described in Section 4.2 of this report. Refinements to the risk assessment process are applied prospectively.
Banking investment assets exposed to fossil fuels	The amount of total Banking investment assets at the reporting date that are: 1) for projects where the proceeds are used for fossil-fuel activities or 2) with counterparties where the proceeds for a project are not used for fossil-fuel activities, but the counterparty generates more than 20 per cent of its revenue from fossil fuel-related activities, as determined by an internal evaluation based on a review of financial information available for the counterparty and the professional judgement of the reviewer. Banking investment assets include loans, undrawn loan commitments, guarantees and equity.	€ and %	The metric is calculated as the sum of investment outstanding as at the reporting date for projects with counterparties that meet the eligibility criteria described in Section 5.3.	The method stated in this section is to be read in conjunction with the EBRD's assessment process described in Section 5.3 of this report.
Annual climate finance commitments (EBRD resources)	The amount of total ABI committed for investment projects that mitigate climate change and support adaptation to climate change in accordance with the Bank's methodology to determine the green finance attribution of EBRD investments.	€	This metric is calculated as the sum of ABI committed in the year that is associated with project components, tranches or activities that meet the eligibility criteria during the year, ensuring that any overlaps are excluded to avoid double-counting. The Bank identifies some components, sub-components, elements and/or parts of projects that help to reduce GHG emissions while also reducing climate vulnerability, thereby delivering dual benefits of mitigation and adaptation. Where the same project, sub-project or project element contributes to both mitigation and adaptation, the Bank will determine which proportions to count as mitigation or adaptation, so that there is no double-counting of ABI.	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments.[117] The climate finance tracking process in the Bank's methodology to determine the green finance attribution of EBRD investments is based on the joint MDB approach to climate finance tracking.[118]

117 See EBRD (2025e).

118 See AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2021) and AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB, World Bank Group and IDFC (2023a and 2023b).

Metric	Definition/scope	Units	Method	Source/ governance
			Climate finance includes up to two aspects: 1. mitigation finance (as explained in the "annual mitigation finance commitments" metric below) 2. adaptation finance (as explained in the "annual adaptation finance commitments" metric below).	
Annual adaptation finance commitments	The amount of total ABI committed to climate adaptation activities that aim to improve climate resilience by adjusting a system in response to climate stimuli, in accordance with the Bank's methodology to determine the green finance attribution of EBRD investments.	€	This metric is calculated as the sum of ABI committed in the year that is associated with project components, tranches or activities that meet the eligibility criteria for adaptation during the reporting year. An activity is considered to qualify as climate change adaptation if it is intended to reduce the vulnerability of human or natural assets or systems to the impacts of climate change and climate-related risks by maintaining or increasing adaptive capacity and resilience. The following two categories of activity are considered: (i) those adapted to anticipate the impacts of climate change (ii) those that enable adaptation in a wider system.	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments. The EBRD's approach in the methodology is applied in line with the 2022 edition of the MDBs' Joint Methodology for Tracking Climate Change Adaptation Finance.[119]
Annual mitigation finance commitments	The amount of total ABI committed to climate mitigation activities that promote the reduction or limitation of GHG emissions or promote GHG sequestration. An activity can be classified as contributing to climate change mitigation if it leads to a substantial reduction in net CO_2e emissions or to the enhancement of GHG sequestration in line with the goals of the Paris Agreement and science-based evidence, as detailed in the Bank's methodology to determine the green finance attribution of EBRD investments.	€	This metric is calculated as the sum of ABI committed in the year which is associated with project components, tranches or activities that meet the eligibility criteria for mitigation during the reporting year. Project activities are considered to qualify as climate change mitigation if they are included in the Bank's positive list of climate change mitigation activities.	The method stated in this section is to be read in conjunction with the Bank's methodology to determine the green finance attribution of EBRD investments. The EBRD's tracking process in the methodology is based on the joint MDB approach to climate finance tracking.
Green bonds	Green bonds are a type of bond instrument where the proceeds are used exclusively to finance or refinance, in part or in full, new and/or existing eligible projects with eligible uses of proceeds (green projects). The EBRD invests in and issues green bonds.	€	EBRD issuance of green bonds: The EBRD classifies its green bond issuance as ESBs, CRBs or GTBs through an internal review process, in accordance with specific frameworks aligned with the Green Bond Principles.[120] EBRD participation in green bonds: The Bank's methodology to determine the green finance attribution of EBRD investments aims to ensure a consistent approach aligned with market best practice for all green, social, sustainability and sustainability-linked (GSSS) bond investments that support environmental sustainability objectives. The methodology sets out the Bank's green attribution for both use-of-	EBRD issuance of green bonds: The responsible EBRD department reviews each EBRD project to determine whether it is aligned with the relevant frameworks (see below for ESBs, CRBs and GTBs, respectively). EBRD participation in green bonds: Prior to each participation, the responsible EBRD department reviews the labelled bond

119 See AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2021).

120 Ibid.

Metric	Definition/scope	Units	Method	Source/ governance
			proceeds (green or sustainability bonds) and outcome-based (sustainability-linked) products. In particular, the Bank recognises green bonds as 100 per cent green finance eligible if they are issued in alignment with the International Capital Market Association (ICMA) Green Bond Principles[121] – confirmed by a second-party opinion and validated by the Bank – and with its green finance principles and eligibility criteria. The EBRD also sets out its expectations in terms of post-issuance reporting in line with market best practice.	transaction to assess its alignment with the Bank's methodology to determine the green finance attribution of EBRD investments.
Sustainability bonds	Sustainability bonds are a type of bond instrument where the proceeds are exclusively used to finance or refinance, in part or in full, new and/or existing eligible projects with eligible uses of proceeds (combination of green and social projects). The EBRD invests in sustainability bonds.		EBRD participation in sustainability bonds: The Bank's methodology to determine the green finance attribution of EBRD investments aims to ensure a consistent approach aligned with market best practice for all GSSS bond investments that support environmental sustainability objectives. The methodology sets out the Bank's green attribution for both use-of-proceeds (green or sustainability bonds) and outcome-based (sustainability-linked) products. In particular, for a sustainability bond to be eligible for green finance, it must adhere to the criteria established for green bonds and be aligned with the ICMA Sustainability Bond Guidelines.[122] The green finance attribution of sustainability bonds will be determined based on the share of green investments indicated by the issuer prior to issuance. The EBRD also sets out its expectations in term of post-issuance reporting in line with market best practice	EBRD participation in sustainability bonds: Prior to each participation, the responsible EBRD department reviews the labelled bond transaction to assess its alignment with the Bank's methodology to determine the green finance attribution of EBRD investments.
Sustainability-linked bonds	Sustainability-linked bonds are any type of bond instrument where the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability/ESG objectives.	€	EBRD participation in sustainability-linked bonds: The Bank's methodology to determine the green finance attribution of EBRD investments aims to ensure a consistent approach aligned with market best practice for all GSSS bond investments that support environmental sustainability objectives. The methodology sets out the Bank's green attribution for both use-of-proceeds (green or sustainability bonds) and outcome-based (sustainability-linked) products. In particular, the Bank recognises bonds as 100 per cent green finance eligible if they are issued in alignment with the ICMA Sustainability-Linked Bond Principles, confirmed by a second-party opinion and validated by the Bank,	EBRD participation in sustainability-linked bonds: Prior to each participation, the responsible EBRD department reviews the labelled bond transaction to assess its alignment with the Bank's methodology to determine the green finance attribution of EBRD investments.

121 See ICMA (2025).

122 See ICMA (2021).

Metric	Definition/scope	Units	Method	Source/ governance
			where the green outcomes targeted demonstrate relevance and ambition, and the client demonstrates capacity to deliver on its commitments. The EBRD also sets out its expectations in terms of post-issuance reporting in line with market best practice.	
Environmental sustainability bonds (ESBs)	ESBs focus mainly on climate mitigation and sustainable resource projects.	€	The classification of EBRD green bonds as ESBs[123] is subject to an internal review process, in accordance with specific frameworks aligned with the Green Bond Principles.	The responsible EBRD department reviews each EBRD project to determine whether it is aligned with the ESB framework.
Climate resilience bonds (CRBs)	CRBs fund projects that seek to reduce and adapt to physical climate hazards.	€	The classification of EBRD green bonds as CRBs[124] is subject to an internal review process, in accordance with specific frameworks aligned with the Green Bond Principles.	The responsible EBRD department reviews each EBRD project to determine whether it is aligned with the CRB framework.
Green transition bonds (GTBs)	GTBs focus on projects and clients in hard-to-abate sectors that are transitioning to low carbon and resource intensity.	€	The classification of EBRD green bonds as GTBs[125] is subject to an internal review process, in accordance with specific frameworks aligned with the Green Bond Principles.	The responsible EBRD department reviews each EBRD project to determine whether it is aligned with the GTB framework.
Estimated CO_2e emission reductions	Estimates of GHG emissions, calculated as the difference between the project's emissions and baseline emissions using the same assessment boundary in accordance with the Bank's methodology to determine the green finance attribution of EBRD investments.	$ktCO_2e$/year	Estimates of GHG emissions are calculated as the difference between project emissions and baseline emissions using the same assessment boundary. Depending on the calculation procedures adopted by an IFI, relative emissions can be calculated by subtracting baseline emissions from project emissions, or vice versa. Scope 1: direct emission reductions/avoidance for sources owned or controlled by the investee. Scope 2: indirect GHG emission reductions/avoidance for the generation of purchased electricity, heating, cooling and steam consumed by the client of the project financed, but not produced by the investee. Scope 2 emissions physically occur at the facility where electricity, heat or cooling energy is generated. To determine the $ktCO_2e$ reduction impact, the project owner refers to the relevant IFI document, the IFI Framework for a Harmonised Approach to GHG Accounting.[126]	The process for the monitoring, reporting and verification assessment of physical environmental benefits is described in the Bank's methodology to determine the green finance attribution of EBRD investments. See also the main principles of the Bank's Protocol for the Assessment of Greenhouse Gas Emissions[127] and the IFI Framework for a Harmonised Approach to GHG Accounting.[128]
Number of projects assessed as being Paris aligned	The number of Banking investment projects assessed as being aligned with the mitigation and adaptation goals of the Paris Agreement in accordance with the Methodology for Alignment of EBRD Investments (Paris	Number of projects assessed as being Paris aligned	The metric is calculated as the total number of projects that meet the eligibility criteria during the reporting period. The EBRD's Paris alignment methodology sets out how the Bank	The assessment process, the scope and exclusions for the calculation of this metric are detailed in the Bank's Paris

123 See EBRD (2019a).
124 See EBRD (2019b).
125 See EBRD (2019c).
126 See AfDB, AFD, ADB, EBRD, EIB, GEF, IDB, KfW, NDF, Nefco, NIB, UK Green Investment Bank and World Bank Group (2015).
127 See EBRD (2024b), Annex 2.
128 See AfDB, AFD, ADB, EBRD, EIB, GEF, IDB, KfW, NDF, Nefco, NIB, UK Green Investment Bank and World Bank Group (2015).

Metric	Definition/scope	Units	Method	Source/ governance
	alignment methodology).[129] This relates to the first and second building blocks of the MDBs' joint framework for alignment with the objectives of the Paris Agreement.[130]		determines whether an investment or technical cooperation activity is "aligned" or "not aligned" with the mitigation and adaptation goals of the Paris Agreement.[131] Under the joint MDB principles for Paris alignment,[132] as adopted by the Bank through its Paris alignment methodology, directly financed investments include projects that involve specific capital expenditure, while indirectly financed investments include projects involving intermediaries that finance a set of sub-transactions for end beneficiaries (through sub-projects or sub-investments). The EBRD's Paris alignment methodology covers investment and technical cooperation activities undertaken by the EBRD in the course of its operations. The Bank's investment of reserves or funds not required for its operations is not included in this metric.	alignment methodology.[133] See, in particular, Figure 1.1 of the methodology for an overview, Section 2 for directly financed investments and Section 3 for indirectly financed investments.

129 See EBRD (2024b).

130 See ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and World Bank Group (2018).

131 See EBRD (2024b).

132 Ibid.

133 Ibid.

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Independent Limited Assurance Report on Selected Information within the European Bank for Reconstruction and Development's International Sustainability Standards Board Report

To the President of the European Bank for Reconstruction and Development

Limited assurance conclusion

We have conducted our limited assurance engagement on Selected metrics and Narrative disclosures (collectively the "Selected Information") within the European Bank for Reconstruction and Development's ("EBRD" or "the Bank") International Sustainability Standards Board Report ("ISSB Report") for the reporting year ended 31 December 2025.

The Selected Information in scope of our engagement for the year ended 31 December 2025 includes Selected metrics in the table below, as indicated with a * in the published ISSB report:

Selected metrics as disclosed in section 5 of the ISSB report, indicated with a *	Reported value	Unit of measurement	Applicable Criteria
Environment			
Scope 1 emissions	291	tCO2e	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (2004). Plus, any applicable methodology as published by the Bank in Section 6 of the ISSB Report.
Scope 2 emissions:			
Market based	1,775	tCO2e	
Location based	2,800	tCO2e	
Scope 3 emissions			
Category 1: Purchased Goods and Services	19,970	tCO2e	
Category 5: Waste generated in operations:	39	tCO2e	
Category 6: Business Travel	9,569	tCO2e	
Category 7: Employee Commuting	1,960	tCO2e	
Scope 3 emissions: Category 15 Financed emissions	49	MtCO2e	
Investment Portfolio			
Banking investment assets exposed to climate-related transition risk	6,829	€ (million)	Applicable methodology as published by the Bank in Section 6 of the ISSB report
Banking investment assets exposed to climate-related physical risk	5,162	€ (million)	
Banking investment assets exposed to fossil fuels	6,700	€ (million)	
Industry-based metrics			
Annual green finance commitments	9,380	€ (million)	Applicable methodology as published by the Bank in Section 6 of the ISSB report
Private-sector share of green finance	76	%	
Annual climate finance commitments (EBRD resources)	9,116	€ (million)	
Annual adaptation finance commitments	898	€ (million)	
Annual mitigation finance commitments	8,617	€ (million)	
Estimated green-eligible annual mobilised investment	3,169	€ (million)	
Estimated CO_2e emission reductions	16,393	ktCO2e/year	
Number of projects assessed as being Paris-aligned	717	Number of projects assessed as being Paris-aligned	

The Selected information in scope of our engagement also includes the Narrative disclosures included in the published ISSB report, except for those marked with an (E), for the year ended 31 December 2025. The Narrative disclosures include the description of activities undertaken to meet the requirements of the IFRS S1 and IFRS S2 as issued by the ISSB covered under the following qualitative elements:

- Materiality
- Governance
- Strategy
- Risk Management
- Metrics and Targets

The Selected metrics, as listed in the table above, needs to be read and understood together with Applicable criteria defined by the Bank's management as set out in Section 6 Definitions of key metrics in the ISSB Report.

Based on the procedures performed, and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the following Applicable Criteria:

- International Financial Reporting Sustainability Standards 1 *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and International Financial Reporting Sustainability Standards 2 *Climate-Related Disclosures* ("IFRS S2") as issued by the International Sustainability Standards Board ("ISSB"); and
- Applicable criteria defined by the Bank's management as set out in Section 6 *Definitions of key metrics* of the ISSB Report

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and International Standard on Assurance Engagements 3410 *Assurance engagements on greenhouse gas statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

Our responsibilities under these standards are further described in the section of this report titled 'Our responsibilities'.

In conducting our engagement, we complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants. This code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.

We applied the International Standard on Quality Management 1 ("ISQM 1") issued by the International Auditing and Assurance Standards Board. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations in preparing the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Selected Information for which the Applicable Criteria are self-defined, as included in the ISSB Report, the nature of this sustainability information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different entities and from year to year within an entity as methodologies develop.

Scope 3 greenhouse gas emissions are subject to greater inherent limitations than for Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 information from value chain entities outside the operational control of the Bank.

In reporting forward-looking information in accordance with the Applicable Criteria, the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bank. The actual outcome is likely to be different since anticipated events frequently may not occur as expected.

The climate stress testing was assessed based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future transition climate-related impacts. Our procedures do not include performing work on the reliability, proper compilation, or accuracy of such prospective information.

We draw your attention to the specific limitations, due to the nature of the Selected Information, set out in the "Summary of the work performed" section below.

Responsibilities of the Bank's management

Management of the Bank is responsible for the preparation of the Selected Information included within the ISSB Report in accordance with the Applicable Criteria.

The Management of the Bank is also responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining such internal processes and controls over information that the management determine is necessary to enable the preparation of the Selected Information that is free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of our limited assurance engagement.
- Those charged with governance are responsible for overseeing how the Bank identifies and discloses material information about its sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's prospects.

Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Information in scope of our conclusion are free from material misstatement, whether due to fraud or error, and to issue a limited Assurance Report on our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users on the basis of the Selected Information. We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the President.

Summary of the work performed

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgement. In carrying out our limited assurance engagement in respect of the Selected Information, we performed the following procedures:

- Performed an assessment of the suitability and availability of the Applicable criteria to determine whether they are suitable for the engagement circumstances.
- Performed risk assessment procedures to understand the underlying Selected Information and identify areas where a material misstatement of the Selected Information is likely to arise, and to provide a basis for designing procedures to obtain limited assurance to support our conclusion. Risk assessment involves obtaining an understanding of the Bank, its environment, processes, and information systems relevant to the preparation of the Selected Information.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process, and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We have not evaluated the design of particular internal control activities, obtained evidence about their implementation or tested their operating effectiveness.

- Through inquiries of management, documented whether an external expert has been used in the preparation of the Selected Information, then evaluated the competence, capabilities, and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Accumulated misstatements and control deficiencies identified, assessing whether material. The assessment of what is material is a matter of professional judgement and includes consideration of both the amount (quantity) and the nature (quality) of misstatements.
- For the restatements made to historical data, although not part of the scope of our FY25 limited assurance engagement, we inquired about the rationale and performed a review of the information provided by management.
- Read the narrative accompanying the ISSB Report with regard to the Applicable Criteria, and for consistency with our findings.

In relation to the Selected metrics only, we have performed the following:

- Procedures over the metrics, including recalculation of relevant formulae used in manual calculations and assessment of whether the data has been appropriately aggregated.
- Procedures over underlying data to assess whether the data has been collected and reported in accordance with the requirements including verifying to source documentation.
- Procedures over the metrics including assessing management's assumptions and estimates.

In relation to the Narrative disclosures in the ISSB Report only, we:

- Obtained an understanding of the sustainability-related financial information, including how the Bank identified material information relating to sustainability-related risks and opportunities, that could reasonably be expected to affect the Bank's prospects and the related reporting processes;
- Performed inquiries of relevant personnel on assessment of material information related to sustainability-related risks and opportunities, within the ISSB Report.
- Evaluated the consistency of the sustainability-related financial information.
- Reconciled selected disclosures in the ISSB report with the corresponding disclosures in the internal or external publications. We did not perform assurance on the reliability of the information presented in those publications therefore we express no opinion on them.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We performed our engagement to obtain limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. We draw your attention to the following specific limitations:

- The Scope 3 Greenhouse Gas emissions (Categories 1, 5, and 6) and estimated CO_2e emission reduction metrics listed in the ISSB Report include information provided by suppliers, borrowers and third-party sources. Our procedures did not include obtaining assurance over the information provided by suppliers, borrowers or third parties.
- We have obtained understanding of the assumptions and external sources used in scenario analysis, but we did not perform procedures to assess the appropriateness of assumptions made including those made in preparation and application of climate scenarios.
- Annual adaptation finance commitments and Estimated CO_2e emission reductions metrics were calculated using input data for which verifiable external sources were not available in certain instances. Accordingly, our procedures were limited to agreeing the underlying data used in the calculations to the Bank's own internal records.

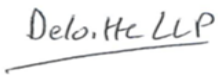
Our conclusion is not modified in respect of these limitations.

Use of our report

This report is made solely to the President of EBRD in accordance with ISAE 3000 (Revised) and ISAE 3410 and our agreed terms of engagement. Our work has been undertaken so that we might state to the President of EBRD those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than EBRD and the President of EBRD, we acknowledge that the President of EBRD may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than EBRD and the President of EBRD as a body, for our work, for this report, or for the conclusions we have formed.

The Applicable Criteria are designed for the Selected Information by the Bank, and as a result, the Selected Information may not be suitable for another purpose.



Deloitte LLP

London, United Kingdom

29 May 2026

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